

**Report for: Pension Fund
Committee**

Date of Meeting:	13 September 2021
Subject:	Review of Investment Strategy Statement
Responsible Officer:	Dawn Calvert – Director of Finance and Assurance
Exempt:	No
Wards affected:	Not applicable
Enclosures:	Appendix 1 – Draft Investment Strategy Statement

Section 1 – Summary and Recommendations

It is necessary to update the Fund's Investment Strategy Statement to reflect the recent decisions taken during the review of the Fund's Investment Strategy. This report presents the draft Investment Strategy Statement for consideration and approval.

Recommendations:

The Committee is recommended to consider and approve the draft Investment Strategy Statement as set out in Appendix 1.

Section 2 – Report

1. Regulation 7 of the LGPS (Management and Investment of Funds) Regulations 2016 require each LGPS Fund to publish an Investment Strategy Statement (ISS). The Government (MHCLG) has issued detailed guidance to assist administering authorities in preparing an ISS.

2. The Investment Strategy Statement required by Regulation 7 must include
 - a) A requirement to invest money in a wide variety of investments;
 - b) The authority's assessment of the suitability of particular investments and types of investments;
 - c) The authority's approach to risk, including the ways in which risks are to be measured and managed;
 - d) The authority's approach to pooling investments, including the use of collective investment vehicles and shared services;
 - e) The authority's policy on how social, environmental or corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments; and
 - f) The authority's policy on the exercise of rights (including voting rights) attaching to investments.

The Investment Strategy Statement must also set out the maximum percentage of the total value of all investments of fund money that it will invest in particular investments or classes of investment.

3. The Committee approved its most recent ISS in 2019. Following the recent review of the Investment Strategy, and the resulting realignment of investments, it is both appropriate and necessary to review and update the Fund's ISS.
4. Officers have worked with Aon to develop and draft a revised ISS – this is enclosed at appendix 1. The Committee is requested to review the draft, and, subject to any amendments it may require, to approve it for publication.

Legal Implications

5. There are no direct legal implications arising from this report. As indicated above, the Fund is required to publish its Investment strategy Statement to comply with the LGPS (Management and Investment of Funds) Regulations 2016.

Financial Implications

6. Whilst the financial health of the Pension Fund directly affects the level of employer contribution which, in turn, affects the resources available for the Council's priorities there are no impacts arising directly from this report.

Risk Management Implications

7. The Pension Fund's Risk Register is reviewed regularly by both this Committee and by the Pension Board. The latest review was carried out at the 24th June meeting of the Committee.

8. There are no specific risk management implications arising from this report. The level of risk to which its investments are exposed is a key component in developing the Fund's investment strategy.

Equalities implications / Public Sector Equality Duty

9. Was an Equality Impact Assessment carried out? No
There are no direct equalities implications arising from this report.

Council Priorities

10. The performance of the Pension Fund directly affects the level of employer contribution which then, in turn, affects the resources available for the Council's priorities.

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 26/08/2021

Statutory Officer: Joane Mohan

Signed on behalf of the Monitoring Officer

Date: 01/09/2021

Chief Officer: Charlie Stewart

Signed by the Corporate Director

Date: 31/08/2021

Mandatory Checks

Ward Councillors notified: Not applicable

Section 4 - Contact Details and Background Papers

Contact: Jeremy Randall – Interim Pensions Manager

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Background Papers: None