

Report for: Pension Board

Date of Meeting:	6 October 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 – Investment Strategy Statement

Section 1 – Summary and Recommendations

It was necessary to update the Fund's Investment Strategy Statement to reflect the recent decisions taken during the review of its Investment Strategy. This report presents the updated Investment Strategy Statement approved by the Pension Fund Committee at its recent meeting.

Recommendations:

The Committee is recommended to note the updated 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 Pension Fund Committee approved the previous ISS in 2019. Following the recent review of the Investment Strategy, and the resulting realignment of investments, it was 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 was considered and approved with some minor amendments by the Pension Fund Committee on 13 September 2021. The updated ISS is enclosed at appendix 1.

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 Pension Fund Committee and by the Pension Board. The next review will be at the Board's meeting on 1 December 2021.
- 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 and the risks are set out in the ISS.

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: 16/09/2021

Statutory Officer: Sharon Clarke

Signed on behalf of the Monitoring Officer

Date: 16/09/2021

Chief Officer: Dawn Calvert

Signed on behalf of the Corporate Director

Date: 16/09/2021

Mandatory Checks

Ward Councillors notified: Not applicable

Section 4 - Contact Details and Background Papers

Contact: Jeremy Randall – Interim Pensions Manager

Email: Jeremy.randall@harrow.gov.uk, Telephone 020 8736 6552

Background Papers: None