

**REPORT FOR: PENSION FUND
INVESTMENTS PANEL**

Date of Meeting: 6 March 2012

Subject: Review of the Statement of Investment Principles

Responsible Officer: Julie Alderson, Interim Corporate Director of Resources

Exempt: No

Enclosures: Statement of Investment Principles.

Section 1 – Summary and Recommendations

A revised Statement of Investment Principles (“SIP”) was discussed at the January meeting. The amendments requested have been incorporated and final approval is requested.

RECOMMENDATIONS:

The Panel is asked to approve the updated Statement of Investment Principles.

Section 2 – Report

1. A Statement of Investment Principles (“SIP”) is required by the Local Government Pension Scheme (Management and Investment of Funds) (Amendment) Regulations 2009 (“The Regulations”) and outlines the principles and policies followed by the Panel in the management of the Fund’s investments.
2. A revised SIP was discussed at the meeting and Members suggested the following amendments to the SIP:
 - Paragraph 5.2, second sentence, be amended to read: “Principally, these place a limit of 10% on the whole Fund on any...”
 - Paragraph 8.1 be amended to read: “Professional advice on investment matters is taken from the investment practice of Aon Hewitt. Hymans Robertson provide actuarial services.”
 - Paragraph 10.2, second sentence, be amended to read: “The Council encourages its Fund Managers to vote and engage with investee companies worldwide...”
3. These amendments have been incorporated and the Panel is invited to approve the revised draft.
4. The SIP will comply with relevant regulations and will be next reviewed on completion of the ongoing strategy review.

Financial Implications

5. The SIP addresses the high level risk and return objectives of the Fund.

Risk Management Implications

6. Risk included on Directorate risk register? No
7. Separate risk register in place? No
8. Setting risk tolerances and measuring outcomes will be addressed in the ongoing strategy review.

Equalities implications

9. Was an Equality Impact Assessment carried out? No
10. There are no direct equalities implications relating to the pension fund.

Corporate Priorities

11. Corporate Priorities are not applicable to Pension Fund as it does not have a direct impact on Council’s resources.

Section 3 - Statutory Officer Clearance

Name: Julie Alderson Chief Financial Officer

Date: 22 February 2012

Name: Matthew Adams on behalf of the
Monitoring Officer

Date: 24 February 2012

Section 4 - Contact Details and Background Papers

Contact: George Bruce (Treasury and Pension Fund Manager) Tel: 020-8424-1170 / Email: george.bruce@harrow.gov.uk

Background Papers: None

If appropriate, does the report include the following considerations?

1.	Consultation	N/A
2.	Corporate Priorities	N/A