

PENSIONS INVESTMENT COMMITTEE			
REPORT TITLE	STATEMENT OF INVESTMENT PRINCIPLES		
KEY DECISION	Yes	Item No.	8
WARD	All		
CONTIBUTORS	Executive Director for Resources		
CLASS	Part 1	Date:	6 September 2011

Reason for Urgency

It is a requirement under existing regulations to publish a Statement of Investment Principles (SIP) and revise this in accordance with any material changes. Officers needed to clarify some legal points with the Council's actuaries which lead to a delay in the report being despatched on time.

1. Purpose

The purpose of this report is to present the revised Statement of Investment Principles.

2. Summary

Pension Funds are required to issue and maintain a Statement of Investment Principles. The last updated version was presented to the Committee in September 2010 and this report presents the Committee with the updated version for 2011.

3. Recommendation

It is recommended that Pensions Investment Committee agree the revised Statement of Investment Principles, which is attached as an Appendix to this report.

4. Background

The Fund operates under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998. The SIP is a requirement of amending regulations of the same name which came into force on 4 January 2000. The administering authority, as part of these regulations, must publish a SIP and revise this in accordance with any material change in policy. Additionally, the Fund must revise its SIP every three years, however it is presented to this committee on an annual basis.

5. Changes

Since the last SIP revision in 2010 many of the key contact officers have changed and this has been reflected in the attached document. There have been no material changes to the Fund's structure, although Members will be aware of the proposals to change the structure of the Fund. An update to proposed structural changes are contained elsewhere on this agenda.

6. Financial Implications

- 6.1. There are no direct financial implications arising from this report. Indirectly, pending proposals to revise the Fund's structure to a more passive management basis will change the Fund's returns and fees will reduce. Members will be continually updated of these implications as the process for restructuring the Fund progresses.

7. Legal Implications

- 7.1. The Fund must comply with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998 as amended by the 2003 regulations for limits on investments.
- 7.2. Additionally the Fund must comply with requirement to issue and review the Statement of Investment Principles as set out in the 1999 regulations.

For further information on this report, please contact Selwyn Thompson, Group Manager Budget Strategy on 020 8314 6932.