

Policies and Statements

Lead Officer: Kevin Nacey: Director of Finance and Performance

Author: Anton Sweet: Funds and Investments Manager

Contact Details: (01823) 356854
asweet@somerset.gov.uk

Executive Portfolio Holder: Not applicable

Division and Local Not applicable

Member:

1. Summary

- 1.1 The Pension Fund is required to maintain a significant number of policies and statements in accordance with the LGPS regulations. The Investment Strategy Statement is ready for final approval.

2. Issues for consideration

- 2.1 The Committee is asked to formally adopt the new statement which is attached as appendix A.

3. Background

- 3.1 Revised investment regulations, The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, came into effect on 1st November 2016. The new regulations require each LGPS administering authority to put in place an Investment Strategy Statement by 1st April 2017. The new Investment Strategy Statement replaces the previous requirement for the Fund to publish a Statement of Investment Principles.

- 3.2 The Investment Strategy Statement required by the regulations must include:
- A requirement to invest money in a wide variety of investments;
 - The authority's assessment of the suitability of particular investments and types of investments;
 - The authority's approach to risk, including the ways in which risks are to be measured and managed;
 - The authority's approach to pooling investments, including the use of collective investment vehicles and shared services;
 - 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
 - The authority's policy on the exercise of rights (including voting rights) attaching to investments.
- 3.3 The guidance requires that the Investment Strategy Statement should be revised at least every three years, and when any significant changes are made to the Fund's investment strategy. The move to the new investment pooling arrangements is likely to mean that the Investment Strategy Statement will need to be reviewed on a more regular basis until the transition is complete

4. Consultations undertaken

None

5. Financial Implications

None

6. Background Papers

None

Note For sight of individual background papers please contact the report author.