

SURREY COUNTY COUNCIL

PENSION FUND BOARD

DATE: 20 SEPTEMBER 2013

LEAD OFFICER: SHEILA LITTLE, CHIEF FINANCE OFFICER

SUBJECT: REVISED STATEMENT OF INVESTMENT PRINCIPLES



SUMMARY OF ISSUE:

With the slight changes to the private equity portfolio and the property manager benchmark outperformance requirement, it is now necessary to approve a revised Statement of Investment Principles (SIP).

RECOMMENDATIONS:

It is recommended that the Pension Fund Board:

- 1 Approve the revised Statement of Investment Principles shown in Annex 1.
- 2 Agree that a breach in the asset allocation control range of greater than +/- 3.0% will not require steps to be taken immediately to restore parity, but require that the breach will necessitate discussion amongst the Chairman and officers and, where appropriate, the Pension Fund Board.

REASON FOR RECOMMENDATIONS:

The Pension Fund Board must approve all working documents produced for the Pension Fund.

DETAILS:

Background

- 1 In accordance with Regulation 12 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, as an administering authority, the Council must prepare and maintain a written statement of the principles governing its decisions on the investment of the pension. It also has to review the policy from time to time and revise it if considered necessary following such a review, as is recommended here in the light of changed circumstances.

Revised Statement

- 2 The revised Statement of Investment Principles (SIP) is shown as Annex 1.

Monitoring and Review

- 3 The SIP is kept under constant review and will be submitted for approval to future Board meetings when any revision is required.

CONSULTATION:

- 4 The Chairman of the Pension Fund has been consulted on the revised draft and has offered full support for the proposals.

RISK MANAGEMENT AND IMPLICATIONS:

- 5 There are no risk related issues contained within the report's proposals.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

- 6 There are no financial and value for money implications.

CHIEF FINANCE OFFICER COMMENTARY

- 7 The Chief Finance Officer is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed and that the proposed SIP offers a clear structure, reflecting the current investment strategies approved by the Pension Fund Board.

LEGAL IMPLICATIONS – MONITORING OFFICER

- 8 There are no legal implications or legislative requirements associated with this report.

EQUALITIES AND DIVERSITY

- 9 The approval of the SIP will not require an equality analysis, as the initiative is not a major policy, project or function being created or changed.

OTHER IMPLICATIONS

- 10 There are no potential implications for council priorities and policy areas.

WHAT HAPPENS NEXT

- 11 The following next steps are planned:
- Adoption of the revised SIP
 - SIP is kept under review

Contact Officer:

Phil Triggs, Strategic Finance Manager (Pension Fund and Treasury)

Consulted:

Pension Fund Board Chairman

Annexes:

Revised Statement of Investment Principles

Sources/background papers:

None

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