

SURREY COUNTY COUNCIL**SURREY PENSION FUND COMMITTEE****DATE: 21 JUNE 2024****LEAD OFFICER: ANNA D'ALESSANDRO, INTERIM EXECUTIVE DIRECTOR, FINANCE AND CORPORATE SERVICES****SUBJECT: INVESTMENT STRATEGY – FIDUCIARY DUTY AND INVESTMENT BELIEFS****SUMMARY OF ISSUE:**

Investment decisions made by the Pension Fund Committee must be within the regulations, in accordance with fiduciary duty and aligned with agreed investment beliefs.

RECOMMENDATIONS:

It is recommended that the Pension Fund Committee (Committee):

1. Establish a sub-committee to consider how the Committee's fiduciary duty in law relates to the objectives of the Fund and reaffirm investment beliefs.
2. Accept the proposed agenda for the sub-committee sessions.
3. Agree any proposed changes to the investment beliefs by the sub-committee be brought back to Committee for consideration.

REASON FOR RECOMMENDATIONS:

To allow the sub-committee to consider fiduciary duty and investment beliefs in relation to existing and new investment propositions.

BACKGROUND:

4. Committee Members must make decisions that are within the regulations, in accordance with fiduciary duty and aligned to the agreed investment beliefs. The proposed training and discussions are aimed to establish the parameters of the factors above to enable effective decision making.

DETAILS:

5. It is proposed that the sub-committee meet on three occasions to consider the following agenda.
6. Session 1, Legal Requirements / Framework - July / August, hybrid
 - a. Current Fund Objectives and Investment Beliefs
 - b. Surrey Pension Fund and the UN Sustainable Development Goals
 - c. Regulations – General / LGPS
 - d. Fiduciary Duty
7. Session 2, Interpretation for Investment Themes - 13 September, before Committee meeting
 - a. Spectrum of capital, from profit only to philanthropy
 - b. Positioning of the RI policy relative to the spectrum of capital
 - c. Emerging Investment Themes
 - i. Levelling up
 - ii. Impact
 - iii. Local / Place-based
8. Session 3, Review of current Investment Beliefs - October off-site
 - a. Fiduciary recap
 - b. Potential new investment beliefs

CONSULTATION:

9. The Chair of the Pension Fund Committee has been consulted on this report.

RISK MANAGEMENT AND IMPLICATIONS:

10. The consideration of risk related issues, including investment, governance, and reputational risk, are an integral part of this project and will be considered as part of the project development.

FINANCIAL AND VALUE FOR MONEY IMPLICATIONS

11. There are financial and value for money implications contained in this report.

INTERIM EXECUTIVE DIRECTOR, FINANCE AND CORPORATE SERVICES COMMENTARY

12. The Interim Executive Director, Finance and Corporate Services is satisfied that all material, financial and business issues and possibility of risks have been considered and addressed.

LEGAL IMPLICATIONS – MONITORING OFFICER

13. There are no legal implications or legislative requirements.

EQUALITIES AND DIVERSITY

14. There are no equality or diversity issues.

OTHER IMPLICATIONS

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

WHAT HAPPENS NEXT

16. The following next steps are planned:

- a. Arrange each of the sessions - timing and presenters
- b. Determine if the current investment beliefs need to be updated

Contact Officer:

Lloyd Whitworth, Head of Investment & Stewardship

Consulted:

Pension Fund Committee Chair

Annexes:**Sources/background papers:**

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