

**14 March 2017****Agenda Item:5****REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT &  
IMPROVEMENT****INVESTMENT STRATEGY STATEMENT****Purpose of the Report**

1. To seek approval to the Fund's Investment Strategy Statement.

**Information and Advice**

1. For many years Local Government Pension Funds have been required to maintain a Statement of Investment Principles (SIPs). In broad terms this document laid out the things that were considered by the Fund when making investment decisions and included such things as the types of investment that could be held, how the various risks were taken into account and what the Fund's objectives were.
2. New Local Government Pension Scheme (LGPS) Investment Regulations became effective on 1<sup>st</sup> November 2016. These Regulations removed the restrictions on investments that were formerly in place for the LGPS and, in effect, allowed individual Funds complete discretion about where and how to invest. The Regulations also introduced a requirement for administering authorities to formulate, publish and maintain an Investment Strategy Statement (ISS) and this needs to be approved by 1<sup>st</sup> April 2017. The ISS is simply a more detailed version of the SIPs, with the SIPs being no longer necessary.
3. The Investment Strategy Statement must include:
  - a) A requirement to invest money in a wide variety of investments;
  - b) The authority's assessment of the suitability of particular investments and types of investments;
  - c) The authority's approach to risk, including the ways in which risks are to be measured and managed;
  - d) The authority's approach to pooling investments, including the use of collective investment vehicles and shared services;
  - e) 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
  - f) The authority's policy on the exercise of rights (including voting rights) attaching to investments

4. The draft ISS was considered by the Working Party on 18<sup>th</sup> January 2017 and has been reviewed by the Funds' Independent Advisor. Any amendments have been included in the final ISS.
5. The proposed Investment Strategy Statement is attached as Appendix A.

## **Statutory and Policy Implications**

6. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION**

- 1) That the Investment Strategy Statement be approved.

**Nigel Stevenson**  
**Service Director – Finance, Procurement and Improvement**

**For any enquiries about this report please contact:**  
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## **Constitutional Comments (      )**

The proposals in this report are within the remit of the Nottinghamshire Pension Fund Committee.

## **Financial Comments (KRP 27/02/17)**

There are no direct financial implications arising from the report.

## **Background Papers**

None