

Decision Maker: Pensions Investment Sub-Committee

Date: 19th August 2014

Decision Type: Non-Urgent Non-Executive Non-Key

Title: STATEMENT OF INVESTMENT PRINCIPLES

Contact Officer: Martin Reeves, Principal Accountant (Technical & Control)
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Chief Officer: Director of Finance

Ward: All

1. Reason for report

This report submits a revised and updated version of the Pension Fund's Statement of Investment Principles following a detailed review.

RECOMMENDATION(S)

The Sub-Committee is asked to:

- 2.1 Note the report and agree the revised Statement of Investment Principles set out in Appendix 1.

Corporate Policy

1. Policy Status: Existing policy. The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations 2013, for the purpose of providing pension benefits for its employees. These regulations allow local authorities to use all the established categories of investments, e.g. equities, bonds, property etc, and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits.
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: No cost
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Pension Fund
 4. Total current budget for this head: £33.3m expenditure in 2013/14 (pensions, lump sums, admin, etc); £45.5m income (contributions, investment income, etc); £626m total fund value at 31st March 2014)
 5. Source of funding: Contributions to Pension Fund
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Staff

1. Number of staff (current and additional): 0.4 fte (current)
 2. If from existing staff resources, number of staff hours: c14 hours per week
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Legal

1. Legal Requirement: Statutory requirement. Local Government Pension Scheme (LGPS) Regulations 2013
 2. Call-in: Call-in is not applicable.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 5,339 current employees; 4,890 pensioners; 4,847 deferred pensioners (as at 30th June 2014)
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

3.1 The Local Government Pension Scheme (Administration) Regulations 2008 (as amended) require the Council to prepare, publish and maintain a written statement of the principles governing its decisions about Pension Fund investments. While these regulations have technically been revoked and replaced by the LGPS Regulations 2013, in practice the provisions within those Regulations are still saved for those members to whom they apply. This statement is known as the Statement of Investment Principles (SIP) and covers the Council's approach on eight separate issues and states how the Council complies with the six good governance investment principles set out by H.M. Treasury in its report in 2008: "Updating the Myners' Principles: A Response to Consultation". The SIP for the London Borough of Bromley was last updated in 2011 and has been reviewed, particularly in the light of the final Fund valuation report as at 31st March 2013 and the revised Investment strategy agreed in 2012. A revised statement is attached for approval at Appendix 1.

4. POLICY IMPLICATIONS

4.1 The Council's Pension Fund is a defined benefit scheme operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations 2013, for the purpose of providing pension benefits for its employees. These regulations allow local authorities to use all the established categories of investments, e.g. equities, bonds, property etc, and to appoint external investment managers who are required to use a wide variety of investments and to comply with certain specific limits.

5. FINANCIAL IMPLICATIONS

5.1 None at this stage.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	LGPS (Administration) Regulations 2008 (as amended) and LGPS Regulations 2013. LGPS (Management & Investment of Funds) Regulations 2009. HM Treasury report "Updating the Myners' Principles: A Response to Consultation" 2008.