

Local Members Interest	
Nil	

**PENSIONS PANEL – 5 MARCH 2024**

**Report of the Director of Finance**

**INVESTMENT STRATEGY STATEMENT (ISS)**

**Recommendation of the Chair**

1. That the Pensions Panel approves the minor updates to the Staffordshire Pension Fund's Investment Strategy Statement (ISS) and recommends further approval of such to the Pensions Committee.
2. That the Pensions Panel notes the possible requirement for changes to the structure of the Investment Strategy Statement (ISS) in the future. This is because of the outcome of the Department for Levelling Up, Housing and Communities (DLUHC) formal consultation - Local Government Pension Scheme (England and Wales): Next steps on investments, published in November 2023.

**Reasons for Recommendations**

3. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 came into force in 2017 and under Regulation 7(6) and 7(7), the ISS must be kept under review and updated at least every three years.

**Investment Strategy Statement (ISS)**

4. The ISS documents how the investment strategy for the Fund is determined and implemented and is required to cover a number of areas, such as:
  - The requirement to invest money across a wide range of investments.
  - An assessment of the suitability of particular investments and investment types.
  - The maximum percentage authorities deem should be allocated to different asset classes or types of investment.
  - The authority's attitude to risk, including the measurement and management of risk.
  - The authority's approach to investment pooling.
  - The authority's policy on social, environmental and corporate governance considerations.

- The authority's policy with regard to stewardship of assets, including the exercise of voting rights.
5. The last major review of the ISS was undertaken in 2023, which incorporated the outcome of the 2022 Strategic Asset Allocation review and the 2022 Actuarial Valuation. The April 2024 version of the ISS, attached at Appendix 1, contains a few minor revisions in contrast. Principally these amendments reflect the progress made in the implementation of the Fund's 2022 Strategic Asset Allocation recommendations over the past 12 months (e.g., where benchmarks have changed in Appendix A and Appendix B of the ISS).
  6. Under Regulation 7(5), the authority must consult such persons as it considers appropriate as to the proposed contents of its ISS. Although the revisions to the 2024 ISS, attached at Appendix 1, are minor, in the formulation of this ISS, the Fund has consulted with its investment advisors – Hymans Robertson.
  7. A full 3-year review of the ISS will be undertaken in 2026 at which point a wider consultation may be considered appropriate.

**Rob Salmon**  
**Director of Finance**

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Background Documents:

1. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016