

Report of the Section 151 Officer

Local Pension Board – 19 January 2016

INVESTMENT REGULATIONS REVISION CONSULTATION

Purpose: To receive Government consultation on Investment Regulations Revisions

Report Author: Jeffrey Dong

Finance Officer: Jeffrey Dong

Legal Officer: Stephanie Williams

Access to Services Officer: Sherrill Hopkins

FOR INFORMATION

1 Background

- 1.1 The report attached at Appendix 1 was presented to Pension Fund Committee on the 17th December 2015

2 Legal Implications

- 2.1 There are no legal implications

3 Financial Implications

- 3.1 There are no financial implications

4 Equality Impact Assessment Implications

- 4.1 None

Background Papers: None.

Appendices: Appendix 1- Report to Pension Fund Committee – 17 December 2015.

Report of the Section 151 Officer

Pension Fund Committee – 17 December 2015

CONSULTATION ON INVESTMENT REGULATIONS

Purpose:	To formulate a response to consultation on Investment Regulations
Policy Framework:	None
Reason for Decision:	To assist DCLG to ensure an appropriate set of Investment Regulations are implemented.
Consultation:	Legal, Finance & Delivery and Access to Services.
Recommendations:	It is recommended that: 1) The Section 151 Officer is delegated to formulate the response having consulted with LGPS colleagues in Wales via the Society of Welsh Treasurers and circulates the response to Pension Fund Committee members for information prior to submission.
Report Author:	Jeff Dong
Finance Officer:	Mike Hawes
Legal Officer:	Stephanie Williams
Access to Services Officer:	Sherill Hopkins

1 Introduction

- 1.1 The Government is seeking consultation on planned reforms to the Investment Regulation governing the LGPS in England and Wales.
- 1.2 This consultation proposes to revoke and replace the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 with the draft regulations described in this paper. There are two main areas of reform:
- A package of reforms that propose to remove some of the existing prescribed means of securing a diversified investment strategy and instead place the onus on authorities to determine the balance of their investments and take account of risk.
 - The introduction of safeguards to ensure that the more flexible

legislation proposed is used appropriately and that the guidance on pooling assets is adhered to. This includes a suggested power to allow the Secretary of State to intervene in the investment function of an administering authority when necessary.

Views are sought on:

- Whether the proposed revisions to the investment regulations will give authorities the flexibility to determine a suitable investment strategy that appropriately takes account of risk.
- Whether the proposals to introduce the power of intervention as a safeguard will enable the Secretary of State to intervene, when appropriate, to ensure that authorities take advantage of the benefits of scale offered by pooling and deliver investment strategies that adhere to regulation and guidance.

Attached at Appendix A is a copy of the Consultation. Consultation responses are required by 19th February 2016.

2 Recommendation

- 2.1 It is recommended that the Section 151 Officer is delegated to formulate the response having consulted with LGPS colleagues in Wales via the Society of Welsh Treasurers and circulates to Pension Fund Committee members for information prior to submission.

3 Financial Implications

There are no financial implications arising.

4 Legal Implications

- 4.1 There are no legal implications arising out of this report.

5 Equality Impact Implications

- 5.1 An EIA Screening has been undertaken and no E&EIs have been identified.

Background Papers: None.

Appendices:

Appendix A- Consultation

