

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
02 February 2023

WILTSHIRE PENSION FUND INVESTMENT STRATEGY STATEMENT

Purpose of the Report

1. The purpose of this report is to update the Board in relation to changes to the Fund's Investment Strategy Statement, ISS, (Appendix 1).

Background

2. The Strategic Asset Allocation, SAA, of the Fund was reviewed in line with the triennial actuarial valuation in November 2022. The recommended changes following this review are relatively minor and represent an evolution of the strategy. Changes to investment classification and category rationalisation represent the majority of amendments.
3. The ISS has been updated with the new SAA together with several other amendments. These changes can be summarised as follows:
 - The Strategic Asset Allocation and balance of investments have been updated
 - Contextual amendments have been made where references to 'recovering deficits' should now read 'maintaining the funding level'
 - Cashflow considerations and risk have been updated following the rise in inflation
 - The sections on environmental, social and governance factors (ESG) and voting have been removed as these are now covered in detail in a separate [but interlinked] policy document.
4. Officers have provided this updated draft ISS to the Local Pension Board and will circulate it to Employers for consultation before a final version is presented for agreement at the Pension Fund Committee meeting on 02 March 2023.

Key Considerations for the Board

5. The role of the Local Pension Board should be interpreted as covering all aspects of governance and administration of the LGPS, including funding and investments.
6. Under [\[7\] of The Local Government Pension Scheme \(Management and Investment of Funds\) Regulations 2016](#) the administering authority must, after taking proper advice, formulate an investment strategy.
7. It is under (7) of the above Regulation that the authority has reviewed and revised its investment strategy and will publish this revised ISS. In revising the investment strategy, the Pension Fund Committee has received advice from its Investment Consultant, Mercer, and the ISS has been drafted in accordance with [guidance issued from time to time by the Secretary of State](#).
8. As background, it is expected that the [Department for Levelling Up, Housing and Communities](#) (DLUHC) will consult on LGPS pooling and other investment issues in 2023. This may result in further amendment to the ISS depending upon the outcome.

Financial Implications

9. No direct implications.

Legal Implications

10. There are no known implications from the proposals.

Environmental Impacts of the Proposals

11. There is no known environmental impact of this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

12. There are no known implications currently.

Proposals

13. The Board is asked to note the attached draft Investment Strategy Statement, ISS, (Appendix 1) and provide any comments to the Pension Fund Committee (via officers) by Thursday 23 February 2023.

JENNIFER DEVINE
Head of Wiltshire Pension Fund

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Unpublished documents relied upon in the production of this report: NONE