

**COUNCIL**  
**14 JANUARY 2016****REPORTS OF COMMITTEES****(b) SUMMARY OF DECISIONS TAKEN BY THE PENSIONS  
COMMITTEE**

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**Pension Investment update**

1. The Committee has noted the Independent Financial Adviser's fund performance summary and market background.
2. The Committee has noted the update position in relation to the Investment Managers placed 'on watch' by the Pension Investment Advisory Group, namely Nomura, Capital International, JP Morgan Emerging Markets and JP Morgan Bonds.

**Fee Savings Report**

3. The Committee has noted the fee savings achieved in relation to active equity manager fee discounts, joint passive equity manager procurement and global custodian fee schedule renegotiation.
4. The fee saving achieved from fee discounts negotiated with Capital International, Nomura and JP Morgan amount to c. £1.5m over the period December 2013 to November 2015. The annual recurring fee saving achieved from the renegotiated global custodian fee schedule will be c. £210k per annum. The annual recurring fee saving achieved for the Fund from the joint procurement of LGIM will be c. £290k per annum.

**LGPS Asset Pooling**

5. As previously reported to Council, The Chief Financial Officer was granted delegated authority to complete the joint procurement of a passive equity manager and if required terminate the Fund's incumbent passive equity manager (UBS).
6. The LGPS Group, consisting of Cheshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, Warwickshire and Worcestershire, working in conjunction with bfinance completed the tender in November 2015 and the preferred bidder was identified as Legal and General Asset Management (LGIM). Following consultation with the Chairman of the Committee, the Chief Financial Officer decided to progress the appointment of LGIM and notify UBS of their mandate termination following the transition of assets, which is due to take place on 15 December 2015. The annual fee saving for the Fund will be c. £290k.

7. The Committee has noted the LGPS Asset Pooling update and requested that an additional meeting of the Committee be arranged in January/February 2016 (preceded by an informal briefing session) to discuss future proposals for the pooling of assets.

### **Valuation update**

8. The Committee has noted an update from Mercer (the Council's Actuary) regarding actuarial and market developments since the last valuation on 31 March 2013 and a timeline for the forthcoming valuation process.

### **Pension Administration update**

9. The Committee has noted the general update from the Administering Authority in relation to ceasing of contracting out from April 2016, tax changes from April 2016 (Annual Allowance and Lifetime Allowance), negative pensions increase, current government consultations (on exit payments and potential clawback and Pensions Tax), Pensions Administration Forum, and admissions to the Fund.

**Mr R W Banks**  
**Chairman**

### **Contact Points**

#### County Council Contact Points

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#### Specific Contact Points for this report

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### **Background Papers**

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of the Pensions Committee held on 14 December 2015.