



Pensions Committee

18 March 2015

Report Title	Advisers review	
Originating service	Pension Services	
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Recommendations for noting:

The Committee is asked to note:

1. The appointment of two external independent investment advisers to the Investment Advisory Panel.
2. The retirement of the Fund's longstanding property consultant.
3. The intention to go out to tender for the procurement of actuarial services.

1. Purpose

- 1.1 To inform Committee of the status and review of advisory services received by the Fund.

2. Background

The Fund relies upon certain third party organisations to provide advice both from a regulatory and independent stance. The Fund undertakes to review these services to ensure they remain value for money and fit for purpose.

3. External investment advice

- 3.1 Each year, the Committee reviews external investment advice arrangements for the new financial year.
- 3.2 As was reported to and agreed at December's Committee, an Investment Advisory Panel (IAP) is being set up to provide further assurance and robust governance appropriate to planned changes in investment management arrangements, in particular the new active equities management capability. A copy of the IAP's terms of reference is attached in Appendix A. The IAP's first meeting is planned to take place in the second quarter of 2015.
- 3.3 Following an open recruitment process in early 2015, an external independent Investment Adviser has been appointed to the IAP.
- 3.4 Hymans Robertson is the Fund's Investment Consultant. The firm's services have been reviewed and are in line with expectations. The ongoing level of advice from Hymans Robertson is planned to be similar to that for 2014/15 and it is planned that a representative of the firm will attend IAP meetings.
- 3.5 Following the change in direct commercial property management arrangements from advisory to discretionary management with effect from 1 October 2014, John Fender, the Fund's longstanding property consultant, is retiring with effect from 31 March 2015.

4. Actuarial Services

- 4.1 In 2008 the Fund undertook a market review of actuarial services in terms of quality and value for money, with a retendering exercise to follow if required. The outcome of this review was that the incumbents, Mercer, were retained and with a reduction applied to their fees.
- 4.2 In view of the time which has elapsed since the last review and in order to ensure the Fund continues to receive a quality and value for money service, it is the intention to go out to tender for the procurement of actuarial services. In the interest of timescales and also cost, the Fund intends to procure these services via the LGPS National Framework run by Norfolk County Council.

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- 4.3 The Fund has compiled a high level timetable of events for this procurement exercise, which has already commenced in earnest in terms of the preparation work required. This timetable is detailed below:

Activity	Timetable
Inform Wolverhampton City Council of intent to tender	23 January 2015
Specification development/refinement and evaluation criteria	16 – 27 February 2015
Tender	2 March – 2 April 2015
Inform Committee of tender process	18 March 2015
Evaluation and interviews	April 2015
Special Pension Committee meeting	17 June 2015
Issue intention to award letters	18 June 2015
Standstill period	19 June – 29 June 2015
Award contract	30 June 2015

- 4.4 At the time of writing this report, the Fund's specification is being drafted which will form the basis of the procurement process and outline the evaluation criteria. As can be seen above, the formal tender will open on 2 March 2015 with submissions to be received by 2 April 2015.
- 4.5 The evaluation process will commence with effect from 7 April with a panel reviewing and discussing results prior to presentations and interviews being made to the panel on 29 and 30 April.
- 4.6 In addition, the procurement process will be overseen by Andy Moran, Interim Head of Procurement for the Administering Authority.
- 4.7 On 17 June 2015 a special Committee meeting has been called with presentations to be made by the bidders for evaluation in conjunction with the recommendations of the panel.
- 4.8 Following the ten day standstill period and the transition period, it is the intention for the contract to commence in the summer of 2015.

4.9 The contract to be awarded will be for five and a half years ending on 31 December 2020 when existing National Framework contracts cease to take effect.

5. Financial implications

5.1 The report contains financial information which should be noted.

5.2 There are financial implications contained within this report since it covers the procurement and ultimately the implementation of contracts for services

6. Legal implications

6.1 The Fund, on behalf of the Council, will enter into a legally binding contract with third party organisations.

7. Equalities implications

7.1 This report contains no direct equalities implications.

8. Environmental implications

8.1 The report contains no direct environmental implications.

9. Human resources implications

9.1 This report contains no direct human resources implications.

10. Corporate landlord implications

10.1 The report contains no direct corporate landlord implications.

11. Schedule of Appendices

11.1 Appendix A: Investment Advisory Panel's Terms of Reference