
Meeting	Pension Fund Committee
Date	6 June 2013
Subject	Procurement of an Independent Pension Fund Adviser to the Pension Fund
Report of Summary	Deputy Chief Operating Officer Authorisation is sought to procure an independent adviser to the Pension Fund, following the end of the current investment adviser contract.

Officer Contributors	John Hooton, Deputy Chief Operating Officer Iain Millar, Head of Treasury
Status (public or exempt)	Public
Wards Affected	Not Applicable
Key Decision	Not Applicable
Reason for urgency / exemption from call-in	Not Applicable
Function of	Council
Enclosures	Summary document on Local Government Pension Scheme Investment Consultant Procurement Framework.
Contact for Further Information:	Iain Millar, Head of Treasury Services 0208 359 7126

1. RECOMMENDATIONS

- 1.1 That the Pension Fund Committee instructs officers to undertake the procurement of an investment adviser and to report back for the Committee to appoint to the role from a shortlist.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 On 16 July 2007, the Deputy Director for Resources and Chief Financial Officer authorised Delegated Powers Report 296 to procure a new independent adviser to the Pension Fund.
- 2.2 The Contract was awarded to JLT Investment Consultants on 17 August 2008. Contract Reference Number: 50143.
- 2.3 The Contract was extended from 1 September 2012 to 31 August 2013, DPR Reference 1993.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 To ensure that the assets of the Pension Fund are invested prudently and to the best advantage in order to achieve the required funding level and to comply with statutory provisions made under or pursuant to the Local Government Pension Scheme.

4. RISK MANAGEMENT ISSUES

- 4.1 To help manage pension fund investment risk, the Pension Fund has an independent advisor who provides investment advice to officers and members and attends the quarterly Pension Fund Investment Panel. The advisor also assists with the preparation and review of the Pension Fund investment strategy, benchmarking and monitoring the performance of external investment fund managers.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Accurate financial reporting is important to ensure the management of resources to enable the equitable delivery of services to all members of the community and to reduce the differential impact of the services received by all of Barnet's diverse communities.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The cost of Pension Fund Investment Consultant advice is charged to the Pension Fund.
- 6.2 It is intended to conduct this procurement using the National LGPS Investment Consultancy Framework which is fully compliant with the Public Contract Regulations 2006. The Council can reduce procurement time and costs by using a local authority specific framework which has already been through a competitive tender, OJEU compliant procurement process.
- 6.3 The cost of using the LGPS Investment Consultancy Framework is £5,000.

- 6.4 The National Framework agreement permits for contracts to be awarded for up to seven years to allow investment advice over two actuarial review cycles.
- 6.5 The cost of the current pension fund investment advice contract was £44,000 but the contract price is variable subject to advice required. The total contract price over seven years is estimated to be under £400,000.

7. LEGAL ISSUES

- 7.1 None other than contained in the body of the report and appendix.

8. CONSTITUTIONAL POWERS

- 8.1 Constitution – Part 3 Responsibility for Functions – Section 2 – Responsibility for Council Functions delegated to the Pension Fund Committee through the Pension Fund Governance Compliance Statement: 2.2.5, the appointment of independent advisers.

9 BACKGROUND INFORMATION

- 9.1 The current pension fund advisers' contract commenced on the 1st of August 2008 for a period of three years with an option to extend for one year from August 2011.
- 9.2 Approval was sought to extend the contract months until 31 August 2013, to enable a competitive tender exercise to take place and to allow consultation with the NSCSO provider, to agree long term contractual arrangements.

10. LIST OF BACKGROUND PAPERS

- 10.1 <http://barnet.moderngov.co.uk/ieDecisionDetails.aspx?ID=4615>

Cleared by Finance (Officer's initials)	MT
Cleared by Legal (Officer's initials)	SS