

Summary Delegated Powers Report	
DATE OF DECISION	26 th August 2014
DECISION TAKER	Commercial & Customer Services Director
SUMMARY OF DECISION	<p>The separation of investment management from custody is a crucial aspect of security of the pension fund assets. Under the terms of the Council's Investment Management Arrangement (IMA) with fund manager Newton Investment Management Limited, Newton appointed affiliate, The Bank of New York Mellon, London Branch (BNYM) to act as the custodian of the LB Barnet Pension Fund portfolio of investments and cash managed by Newton.</p> <p>Newton has now decided to withdraw from this ancillary service following a review of its operations and is reducing its annual management charge for two years effective from the appointment of a third party custodian by the current minimum core custody fee of £10,200.</p> <p>The Bank of New York Mellon have offered to provide a direct custody service and have offered the minimum core custody fee of £10,200 based on the last 12 months custody activity. This is a specialist technical market and to ensure that the pension fund is being invested prudently and in accordance with the investment strategy it is appropriate that this provider continues in the role for the next two years. A report with this recommendation is on the agenda for the meeting of the Pension Fund Committee to be held on 4 September 2014.</p> <p>The process has been conducted in accordance with the Public Contracts Regulations 2006, the Council's Procedure Rules and the corporate Procurement Code of Practice. This type of service falls within Part A of Schedule 3 of the Regulations (which normally require a full procurement process). However, the Contract Procedure Rules allow officers to use a reasonable means of selection for services valued at below the Procurement Threshold while ensuring that they comply with the EU Procurement law of equality of treatment, transparency and non-discrimination.</p> <p>In accordance with the Councils' Contract Procedure Rules it is agreed that a single tender action can be taken to appoint the Bank of New York Mellon pending further review of fund manager arrangements</p>

AUDIT TRAIL OF DECISION – RETAINED AND WHERE?	Document and decision retained within Commercial Team
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DECISION TAKER'S STATEMENT

I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.

I authorise the above decision

Signed **Claire Symonds**

Designation Commercial & Customer Services Director

Date **26 August 2014**