

	<h2 style="margin: 0;">Pension Fund Committee</h2> <h3 style="margin: 0;">24 February 2021</h3>
Title	Re-procurement of Investment Consultancy Services to the Barnet Pension Fund
Report of	Director of Finance
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	Appendix A – Chief Officer in Consultation with Chairman report – Investment Consultant
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<h2 style="margin: 0;">Summary</h2>	
<p>The contract for the supply of Investment Consultancy services to the Barnet Pension Fund expires on 31 March 2021. This paper sets out the outcome of exercise to re-procure those services.</p>	
<h2 style="margin: 0;">Recommendations</h2>	
<p>The Committee is asked to note the intention to reappoint Hymans Robertson as the provider of Investment Consultancy services to the Barnet Pension Fund.</p>	

1. WHY THIS REPORT IS NEEDED

- 1.1 The current contract for investment consultancy services to the Barnet Pension Fund commenced on 10 June 2015 and is due to expire on 31 March 2021 (no further contract extension is permitted). The incumbent provider is Hymans Robertson.
- 1.2 In order to ensure continuity of service provision, it was therefore necessary to run a competitive tender exercise to re-procure the service.
- 1.3 In October 2020, the Director of Finance was granted authority to commence procurement activity in order for the Council to procure an investment consultancy services provider (see Appendix A).
- 1.4 This report sets out the outcome of the procurement and subsequent actions.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The decision to reappoint Hymans Robertson as the investment consultant to the Barnet Pension Fund follows the completion of the procurement exercise.
- 2.2 The exercise was carried out as a further competition under the National LGPS Investment Management Consultancy Services Framework which is fully compliant with the Public Contract Regulations 2015, and is widely used across LGPS administering authorities.
- 2.3 The invitation to tender was issued on 24 November 2020 and the closing date for responses was 22nd December 2020. Two bids were received.
- 2.4 Tenders were evaluated for service quality (40%), service fit (40%) and price (20%). The service fit evaluation included a presentation from bidders, which were scored by the chair of the Pension Fund Committee and the Head of Pensions, and were observed by several members of the Pension Fund Committee.
- 2.5 Bidders were notified of the outcome 26 January 2021. A standstill period was observed – this concluded at midnight on 8 February. There were no challenges to the contract award decision.
- 2.6 Officers are now in the process of completing the order form (which forms the contract between LBB and Hymans Robertson), and which will be subsequently signed by the Chief Officer and sealed by Legal..

3. REASONS FOR RECOMMENDATIONS

- 3.1 Not applicable in the context of this report.

4. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

4.1 Not applicable in the context of this report.

5. POST DECISION IMPLEMENTATION

5.1 None.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The Committee supports the delivery of the Council's strategic objectives and priorities as expressed through the Corporate Plan, by assisting in maintaining the integrity of the pension Fund by monitoring the administration and compliance of the Fund.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 The procurement exercise was carried out using existing resources. The cost of using the National Framework was £5,500.

5.3 Social Value

5.3.1 Not applicable in the context of this report.

5.4 Legal and Constitutional References

5.4.1 The Local Government Pension Scheme Regulations 2013 place responsibility for the local administration of pensions and other benefits under these Regulations on the administering authority, which is the London Borough of Barnet.

5.4.2 The Council's Constitution contains the Contract Procedure Rules which set out the "Authorisation and Acceptance Thresholds" table. This table states that for a decision valued £500,000 and above it is a requirement to commence a procurement activity either via the Council's Procurement Forward Plan or relevant Themed Committee. For the reasons set out in Appendix A, this requirement was waived. In accordance with Section 12 of the Contract Procedure Rules, a report shall be submitted the next available Policy and Resources Committee, setting out the reasons for the emergency waiver.

5.4.3 The Council's Constitution, Contract Procedure Rules sets out within the "Authorisation and Acceptance Thresholds" table that a decision of this value requires either Authorisation documentation; Relevant Theme Committee Decision; or Procurement Forward Plan. Appendix A provided the relevant authorisation.

5.4.4 Contained within the Chief Officer's Scheme of Delegation, it states that the Chief Financial Officer is responsible for implementation and monitoring of the pension fund investment strategy. All investment decisions regarding the precise timing and amounts of rebalancing are delegated to the Chief Financial Officer and there are no restrictions placed on this discretion. However in accordance with LGPS Regulations, in making such decisions, the advice of a person whom the authority reasonably considers to be qualified by their ability in and practical experience of financial matters must be sought. The appointment of a suitable investment advisor is therefore integral to ability of the Chief Officer to discharge this function.

5.4.5 The Council's Constitution – Article 7 – includes within it the responsibilities of the Pension Fund Committee, which includes the appointment of investment advisors. It is therefore considered appropriate for the Pension Fund Committee to receive this report.

5.5 Risk Management

5.5.1 Risk management is central to the LGPS. LGPS pension funds are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met. Good governance is essential to managing the risks of the pension fund.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to 1) eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; 2) advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and 3) fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation. The Council also has regard to the additional protected characteristic of marriage and civil partnership even though this does not apply to parts 2) and 3) (above) of the public-sector equality duty.

5.6.2 The rules governing admission to and participation in the Pension Fund are in keeping with the public-sector equality duty. The Public Sector Equality Duty requires public authorities in carrying out their functions, to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. Good governance arrangements will benefit everyone who contributes to the fund.

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

5.8.1 Where relevant, consultation and engagement is discussed in the paper.

5.9 Insight

5.9.1 Not applicable in the context of this report.

6. BACKGROUND PAPERS

6.1 none