

	CHIEF OFFICER IN CONSULTATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT
Title	Procurement of Investment Consultancy services to the Barnet Pension Fund
Report of	Director of Finance
Wards	N/A
Status	Public
Enclosures	N/A
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Summary

The current contract for Investment Consultancy services to the Barnet Pension Fund commenced on and is due to expire on 31 March 2021 (no further contract extension is permitted). In order to ensure continuity of service provision, it is therefore necessary to run a competitive tender exercise to re-procure the service. This report sets out how this will be undertaken whilst managing the risks of business interruption due to the COVID-19 pandemic by delegating powers to officers to proceed with the procurement process.

Decisions

That authority be granted to commence procurement activity in order for the Council to re-procure an investment consultancy services provider to the Barnet Pension Fund, following the end of the current Investment Consultancy services contract (31 March 2021).

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 is therefore necessary to run a competitive tender exercise to re-procure the service.
- 1.3 The need for this procurement does not currently form part of the Council's Forward Procurement Plan.
- 1.4 This report sets out how this will be undertaken whilst managing the risks of business interruption due to the COVID-19 pandemic, by delegating powers to officers to proceed with the procurement process.

2. REASONS FOR RECOMMENDATIONS

- 2.1 In order to minimise the risk of the COVID-19 pandemic impacting on the procurement timetable, officers wish to commence the procurement process as soon as possible to allow for any slippages in the timetable that may occur due to business interruptions both at the Council and at potential suppliers.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 No alternative options are available.

4. POST DECISION IMPLEMENTATION

- 4.1 This report will be submitted to Policy and Resources Committee to note as required by section 12 of the Council's Contract Procedural rules.
- 4.2 A report on the appointment of the successful bidder will be submitted to the Pension Fund Committee for approval on 24 February 2020.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 Investment Consultancy services include the provision of advice and guidance to ensure

compliance with the regulatory requirements of the Local Government Pension Scheme.

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

5.2.1 The cost of Pension Fund investment consultancy services is charged to the Barnet Pension Fund.

5.2.2 It is intended to conduct this procurement using the National LGPS Investment Consultancy Services Framework which is fully compliant with the Public Contract Regulations 2015. The Council can reduce procurement time and costs by using a local authority specific framework which has already been through a competitive, OJEU-compliant procurement process. Once the procurement is complete, the order form (which forms the contract between LBB and the successful bidder) will be subject to signing and sealing.

5.2.3 In light of the reasons set out at section 2 meetings, the Council has taken this decision to grant approval authorisation to commence the necessary procurement activity in this way.

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 the report above, such requirement needs to be 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. This report is intended to provide the relevant authorisation.

5.4.4 The Council's Constitutions, Article 7 – Committees, Forums, Working Groups and Partnerships states that the Pension Fund Committee has the power to appoint Pension Fund investment advisors.

5.4.5 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.

5.5 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. The purpose of the delegations and actions set out in this report form part of our risk mitigation actions.

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

Chairman: Cllr Daniel Thomas

Has been consulted

Signed

A handwritten signature in black ink that reads "Dan Thomas". The signature is written in a cursive style with a large, prominent 'D' and 'T'.

Date

2 November 2020

Chief Officer: Anisa Darr

Decision maker having taken into account the views of the Chairman

Signed

A handwritten signature in black ink that reads "Anisa Darr". The signature is written in a cursive style with a large, prominent 'A' and 'D'.

Date

2 November 2020