

Committee Report

Decision Maker:	PENSION FUND COMMITTEE
Date:	20 SEPTEMBER 2016
Classification:	General Release
Title:	Pension Fund Investment Adviser Contract
Wards Affected:	All
Policy Context:	Effective control over Council Activities
Financial Summary:	There are no immediate financial implications arising from this report, although the contract appointment will potentially result in a change in costs currently incurred by the Pension Fund.
Report of:	Steven Mair <i>City Treasurer</i> smair@westminster.gov.uk 020 7641 2831

1. Executive Summary

- 1.1 This report is to update the Committee on the Pension Fund's Investment Adviser contract re-procurement progress.

2. Recommendation

- 2.1 The Committee is asked to note the contents of this report.

3. Background

- 3.1 The current investment adviser contract with Deloitte is due to expire on 31 October 2016. At the meeting held on 21 June 2016, the Committee approved the re-procurement of the contract be conducted using the National LGPS Framework for Pension Fund Investment Advisers.
- 3.2 Officers from the Pensions Team have been working alongside colleagues from the internal procurement and legal teams to progress the work required. A copy of the indicative timeline for the process is included as Appendix A.

4. Progress on Contract Re-Procurement

- 4.1 To enable sufficient time for a thorough re-procurement process to be conducted, it was necessary to seek a variation to the existing contract with Deloitte to allow for a further extension of 6 months up to 30th April 2017. The amendment to the contract was approved by the Westminster Gate Review Panel on 6 September 2016. This is an officer led panel, with representatives from procurement, Category Management, Legal and Finance.
- 4.2 The next stage in the process is for the Westminster Review Panel to approve the proposed strategy for the re-procurement. This Gate 1 meeting is due to be held after the writing of this report on 13 September 2016. Officers will attend the Gate 1 meeting and set out the financial implications, the project approach, the recommended strategy and the evaluation criteria. Assuming the strategy will be approved at this meeting, the Invitation to Tender will then be issued.
- 4.3 The tender document for the investment consultancy services includes a scoring mechanism that allocates a 30% to price and 70% to quality/service in line with the requirements on the National LGPS Framework Agreement. Westminster's procurement rules require any tenders that do not have a 60% price and 40% quality/service score to be cleared by the Cabinet Member for Finance. This was duly sought and approved in August.
- 4.4 Officers will evaluate the tenders received in October. Following the advice of internal Procurement, it will not be possible to shortlist the number of suppliers who are invited to present at this stage. Submissions can only be rejected if the provider is awarded a zero score during the written evaluation.
- 4.5 At the last meeting in June, it was agreed that all members of the Pension Fund Committee be nominated as representatives to the Investment Adviser presentations and that Pension Board Members could also attend as observers. On the indicative timeline (Appendix A) these presentations are due to be held between the 12th and 14th October.
- 4.6 Following the presentations, the scoring will be reviewed by officers in the light of new information to identify the preferred adviser. A Gate 2 report on the contract award and implementation plan will then need to be submitted to the Westminster Procurement Review Panel for approval.
- 4.7 The decision to appoint the contract can then be made at the November Committee meeting.

If you have any questions about this report, or wish to inspect one of the background papers, please contact the report author:

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BACKGROUND PAPERS:

None

APPENDICES

Appendix 1 Indicative Procurement Plan – Investment Adviser Contract