

# Pensions Committee

2.00pm, Wednesday 25 September 2019

## Lothian Pension Fund - Contract Awards (Period 1 January to 30 June 2019)

Item number	5.4
Executive/Routine	Routine
Wards	
Council Commitments	

### 1. Recommendations

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It is recommended that the Committee notes the contents of this report and the authorisations made under the Scheme of Delegation to Officers. A further report will be submitted to the Committee in approximately six months' time.

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# Report

## Lothian Pension Fund – Contract Awards (Period 1 January – 30 June 2019)

### 2. Executive Summary

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- 2.1 This report updates the Pensions Committee on the scope of contracts awarded by Lothian Pension Fund in the period 1 January to 30 June 2019. This provides visibility of contracts awarded under the Scheme of Delegation to Officers, inclusive of direct contract awards not openly tendered due to specific circumstances permitted in regulation and those awarded following a waiver of the Council's Contract Standing Orders (CSOs).

### 3. Background

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- 3.1 A report is presented to Finance and Resources Committee on a six monthly basis detailing the scope of contracts awarded across the Council under the Scheme of Delegation to Officers.
- 3.2 It was identified that, rather than including them in the reporting to Finance and Resources Committee and reflecting the separate governance arrangements for the Lothian Pension Fund, it would be more appropriate to report these contracts awarded by Lothian Pension Fund to the Pensions Committee on a similar six monthly basis. By way of explanation, these contracts are in the name of the Council, but acting in its separate capacity as Administering Authority for the Lothian Pension Fund.

### 4. Main report

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- 4.1 This report updates the Pensions Committee on the scope of contracts awarded by Lothian Pension Fund in the period 1 January to 30 June 2019, inclusive of direct contract awards not openly tendered due to specific circumstances permitted in regulation and those awarded following a waiver of the CSOs.

- 4.2 The Council's CSOs outline contract approval thresholds for goods, works and services, identifying both the level of award which can be undertaken and those with the authority to award.
- 4.3 In specific circumstances, direct awards can be undertaken, where it is not practically viable to 'tender' the requirement.
- 4.4 A waiver of CSOs to allow a contract to be awarded or extended without competitive tendering may also be required in certain circumstances. Inevitably, there will always be a need for a select number of waivers, however each is evaluated on its own merits and approval given only if fully justifiable and in the best interests of the Council. Such circumstances continue to be tightly controlled and scrutinised and will be reported to this Committee moving forward.
- 4.5 The CSOs state that contracts above a threshold of £1m for supply of goods and services and £2m for works require approval from the Committee prior to award.
- 4.6 A summary of contracts awarded under the Scheme of Delegation to Officers is presented in Table 1 below.

**Table 1 Contracts Awarded under Delegated Authority**

Date	Lothian Pension Fund		
	Supplier	Contract Description	Value
15/02/2019	Pensions and Lifetime Savings Association	Pensions and Lifetime Savings Association Subscription.	£11,566
21/02/2019	Local Government Association	Subscription for Local Government Association for Lothian Pension Fund (FY 18/19).	£8,160
21/02/2019	Pendragon	Annual Subscription to Perspective.	£17,760
11/03/19	Local Government Association	Subscription for Local Government Association for Lothian Pension Fund (FY 19/20).	£8,160
09/04/2019	PRI Association	Membership Annual Subscription.	£8,000
05/06/2019	Style Research Ltd	Membership of the Joint Investment Strategy Panel.	£25,000
			<b>£78,646</b>

- 4.7 A summary of contracts awarded under the Scheme of Delegation to Officers by way of a waiver of CSOs is presented in Table 2

**Table 2 - Contracts awarded under Waiver of CSOs by Delegated Authority**

Waiver No.	Lothian Pension Fund		
	Supplier	Justification for waiver	Value
Waiver 1614	ClubVita	Subscription to services from sole provider of specialist longevity modelling to Local Government Pensions.	£18,000
Waiver 1660	FTSE Russell	Sole supplier of benchmark index data required by Lothian Pension Fund oversight body.	£35,995
Waiver 1750	Hermes Equity Ownership Services Limited	Interim arrangement to allow LPF to collaborate with other Pension Fund providers until Scottish Government review complete.	£246,000
Waiver 1779	Deloitte LLP	Pension related accountancy expertise for tax related audit.	£13,000
Waiver 1785	Hymans Robertson LLP	Specialist longevity modelling website for Local Government Pension Scheme, sole provider.	£10,000
			<b>£322,995</b>

## 5. Next Steps

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- 5.1 A further report will be submitted to the Committee in approximately six months' time.

## 6. Financial impact

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- 6.1 Through a robust procurement approach, proactive management of contract cycles, aggregating spend and carrying out competitive procurement where appropriate, this should continue to support commercial efficiency and achieve Best Value for Lothian Pension Fund contracts.

## 7. Stakeholder/Community Impact

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- 7.1 Lothian Pension Fund has been consulted in relation to their expiring contracts, waivers and suppliers in the collation of this report. On an ongoing basis, the CSOs outline the appropriate measures of consultation and approval that must be sought from officers or committee for each waiver, dependent on the expected value.

- 7.2 Due to the significant volumes of activity and numbers of stakeholders involved in purchasing and procuring goods, services and works, CPS relies on services, inclusive of Lothian Pension Fund, to provide accurate information through their Contract Register entries and timely requests for procurement assistance. To mitigate against any risks in this area, data is reviewed for accuracy and reliability in consultation with services.
- 7.3 A waiver denotes a departure from the CSOs. There may be an increased risk if the Lothian Pension Fund has departed from European Union (EU) or Procurement Reform Act requirements. However, each waiver is scrutinised on its own merits in this context and requires appropriate checks and balances both within the directorate concerned and corporately, and is only approved if justifiable given the circumstances or permitted in accordance with EU or obligations.
- 7.4 There are no equalities or sustainability impacts directly arising as a result of this report.

## **8. Background reading/external references**

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- 8.1 N/A

## **9. Appendices**

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