



# National LGPS **Frameworks**

‘By the LGPS, for the LGPS’

Annual Meeting  
9 November 2017



National LGPS  
**Frameworks**



# Welcome and Introduction

Nicola Mark, Chair of National LGPS Frameworks

To share with all stakeholders the latest news and developments from the National LGPS Frameworks and outline how the frameworks operate.

To hear your ideas on how the programme should develop to support us all, particularly in the light of pooling and ongoing reform.

The Founders are very keen to ensure that the programme continues to be focussed on delivering what all stakeholders really need, now and into the future. To maintain the **'By the LGPS, for the LGPS'** principle.



National LGPS  
**Frameworks**



# Agenda

- How the Frameworks started and where we are now
- What are the Frameworks, how do they work and what are the benefits for yourselves and providers?
- A brief overview of each Framework
- 11:45 - BREAK
- Meet the National LGPS Frameworks Team and find out what they do
- Future plans and ideas for new Frameworks
- 12:45 - LUNCH



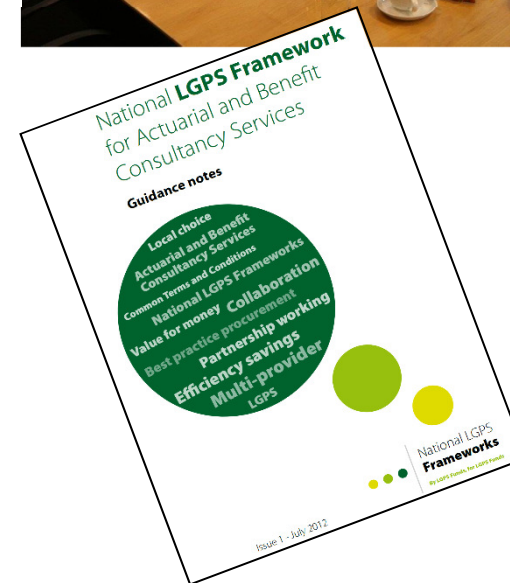
2012.....



Six Founders



One set of T-Shirts



One Framework





# Collaboration in action (2012 – 2017)

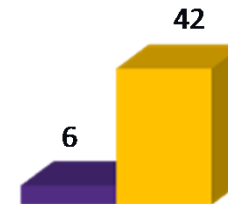
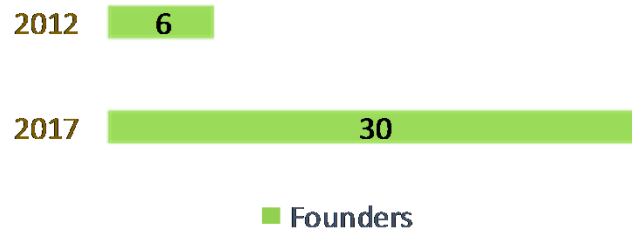


1 Framework to 11 Frameworks  
(with plans for 14 by next year)

### % of Funds joining Frameworks



### Number of Founders



### Providers on the Frameworks

■ 2012 ■ 2017



● ● ● Collaboration in action (2012 – 2017)

**£ 87m+**  
Savings based on  
existing users

**£ 287k**  
cumulative rebate  
shared between  
60 funds

**£ 20m**  
total value (to date)  
of invoiced services

6



**65yrs**  
effort saved (to date)



# What are the National LGPS Frameworks?

Stewardship Advisory Services (2017)

Transition Management Services (2017)

Investment Consultancy Services (re-let) (2017)

Passive Investment Management (2017)

Investment Performance Monitoring (2017)

Third Party Administration (2016)

Actuarial, Benefits and Governance (re-let) (2016)

Legal Services (2015)

Global Custody (2013)

Investment Consultancy (2013)

Actuarial and Benefits Consultancy (2012)

‘By the LGPS, for the LGPS’  
Thank you to our Founders:







# ‘By the LGPS, for the LGPS’

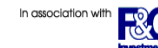
## Thank you to our Founders:



West Sussex County Council



# Awards and acknowledgements





# What are Frameworks, how do they work and how do we work?

Nigel Keogh

National LGPS Frameworks Operations and Development Manager



# What are Frameworks?

- An agreement put in place following a full European Union (OJEU) compliant competitive tender process with a provider or range of providers that enables buyers to place orders for services without running lengthy full tendering exercises.
- Widely used across the public sector
- Good for services that you can define and have demonstrated that considerable time and cost savings can be made.
- Based on large volume purchasing. Aggregating different purchasers' potential needs means individual purchasers can buy goods and services at prices below those normally charged, or with special added benefits and/or more advantageous conditions.



# How do Frameworks work?

National LGPS Frameworks do this



## Full Tender Exercise

### Pre-Qualification

- Selection evaluation
- Financial evaluation
- Track record

### Tender

- Capacity and expertise
- Knowledge and understanding
- Organisation and people

### Select and award

- Evaluate and award

- Ceiling prices
- Terms and conditions

Framework users just need to do this



### Framework

#### Further Competition

- Refine requirement and evaluation criteria
- Tender
- Evaluate and award

### Framework

#### Direct Award

- Identify most suitable provider
- Invite supplier to provide service

6 - 9 months  
without framework

reduced to...

4 - 6 weeks  
with framework

or...

Same day  
with framework





# National LGPS Frameworks

- Hosted by Norfolk Pension Fund (Norfolk County Council) on behalf of LGPS from 2012
- Recognising we all have to buy support services and we all have to comply with Public Contracts Regulations, so;
  - National LGPS Frameworks are an OJEU compliant procurement vehicle
  - They remove the need to independently undertake full European Union (OJEU) procurement – shortened procurement timescales
  - Retain local service definition and decision making
  - Leverage our combined buying power





# National LGPS Frameworks

Sharing innovation and best practice

- Sharing knowledge and information
- Extracting added value from providers
- Ensure access to good quality services
- Supported by a wide range of Framework Procurement and Legal specialists and LGPS expertise - the 'Founders'





# How the National LGPS Frameworks work – ‘Founders’

- ‘By the LGPS, for the LGPS’
- Founders are an integral part of every Framework

## The Role:

- Design the specification and Invitation to Tender
- Evaluate tenders
- Share in the set-up costs







# How the National LGPS Frameworks work – ‘Founders’

## The Benefits:

- Shape the specification and outcome
- Free to use
- Participate in the wider governance of the National LGPS Frameworks programme
- 30 organisations are now ‘Founders’





# How the National LGPS Frameworks work – the funding model

- ‘By the LGPS, for the LGPS’
- Non Profit Making
- Benefits sharing



# How the National LGPS

## ● ● ● Frameworks work – the funding model – set-up costs

- Founder funding
- Joining fees
- Founder reimbursement



# How the National LGPS

## ● ● ● Frameworks work – the funding model – running costs

- Paid for by providers
- Surpluses reinvested





# What are the National LGPS Frameworks?

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Investment Performance Monitoring (2017)

Third Party Administration (2016)

Actuarial, Benefits and Governance (re-let) (2016)

Legal Services (2015)

Global Custody (2013)

Investment Consultancy (2013)

Actuarial and Benefits Consultancy (2012)



# National LGPS Frameworks

## Key benefits for users

Lower prices and shortened timescales, but also...

- Agreed Terms and Conditions of contract
- Comprehensive user documentation
- Easier for the LGPS to access wider range of service providers
- Cumulative rebates – over £287,000





# National LGPS Frameworks

## Key benefits for providers

- Agreed Terms and Conditions of contract
- Standard consistent process with standard tender documents provided to funds
- Shortened timescale for Procurement = new business known quicker
- Encouragement from central Government to use the frameworks.
- Managed framework - continuity
- Easier for Funds and Pools to access and know about providers





# Scope – who can use the National LGPS Frameworks?

- LGPS Administering Authorities (England, Scotland, Wales and Northern Ireland) and participating employers (and pools)
- Use by wider public sector bodies but primarily focused on the LGPS







# So – where are the National LGPS Frameworks now?

- 7 active Frameworks
- 2 expired Frameworks (but with contracts still running under them)
- 2 more in development (and considering more)
- 200+ joiner agreements across 86 different user organisations (including 84 LGPS funds)





# So – where are the National LGPS Frameworks now?

- Real, practical help e.g. contracted-out reconciliation
- Not just high-value, OJEU works
- LGPS-wide solutions e.g. investment management cost monitoring and reporting
- Positive feedback from users and providers
- Continued demand for wider coverage
- Estimated £88m in procurement and service cost savings





National LGPS  
**Frameworks**

The Frameworks.....

# Actuarial and Benefit Consultancy Services

June 2012 to June 2016 (contracts let up to Dec 2020)

**Lot 1:  
Actuarial  
Services**

**Lot 2:  
Benefits  
Consultancy  
Services**

**£176k Rebate  
(to 31 March 2017)  
split between  
32 funds**

**38 Joiners  
Sharing savings of  
£20.4m  
over lifetime of the  
Framework**

**Providers:**

- Aon Hewitt
- Barnett Waddingham
- Hymans Robertson
- KPMG
- Mercer
- PwC

***Founders: Buckinghamshire, Cambridgeshire, London Borough of Croydon, Lincolnshire, Norfolk and Northamptonshire.***

## Actuarial, Benefits and Governance Consultancy Services (re-let)

Sept 2016 to Sept 2020 (contracts can be let up to Sept 2027)

**Lot 1:**  
Actuarial  
Services

**Lot 2:**  
Benefits  
Consultancy

**25 Joiners**  
Sharing savings of  
£1.9m  
over lifetime of the  
Framework

**Lot 3:**  
Governance  
Consultancy

**Lot 4:**  
Consultancy to  
Support  
Specialist  
Projects

**Management  
Information  
Collection**  
Commenced  
1 April 2017

### Providers:

- Aon Hewitt
- Barnett  
Waddingham
- Equiniti
- Hymans  
Robertson
- KPMG
- Mercer
- PwC

*Founders: Cumbria, Lincolnshire, Norfolk, Environment Agency Pension Fund, West Midlands Pension Fund and the London Boroughs of Hackney and Tower Hamlets.*

## Investment Consultancy Services

April 2013 to April 2017 (contracts let up to Mar 2021)

Single Lot –  
Multi Provider

£78k Rebate  
(to 31 March 2017)  
split between  
32 funds

43 Joiners  
Sharing savings of  
£3.6m  
over lifetime of the  
Framework

### Providers:

- Aon Hewitt
- Deloitte
- Hymans  
Robertson
- JLT
- KPMG
- Mercer

*Founders: Buckinghamshire, Cambridgeshire, Lincolnshire, Norfolk, Northamptonshire and the London Boroughs of Croydon and Hackney.*

# Investment Management Consultancy Services (re-let) Oct 2017 to Oct 2021 (contracts let up to Oct 2028)

**Lot 1:  
Investment  
Consultancy  
Services**

**Lot 2:  
Manager  
Search/Selection/  
Monitoring  
Services**

**Lot 3:  
Investment  
Management  
Consultancy related  
specialist services**

**Framework  
Launched  
November 2017  
3 interested  
Joiners already**

## Providers:

- Allenbridge
- Alpha
- Aon Hewitt
- Bfinance
- Deloitte
- Hymans Robertson
- JLT Employee Benefits
- KPMG
- Mercer
- PwC
- Reddington
- The Smart Cube

***Founders: Brunel Pension Partnership, Cambridgeshire, Cheshire, London Boroughs of Hackney & Tower Hamlets, Merseyside Pension Fund, Norfolk, Northamptonshire and West Sussex.***



## Global Custody Services (extended)

October 2013 to April 2019 (contracts let up to Sep 2024)

Single Lot –  
Multi  
Provider

£13k Rebate  
(to 31 March 2017)  
split between  
14 funds

32 Joiners  
Sharing savings of  
£9.2m over lifetime  
of the Framework

Framework  
Extended  
until 29 April 2019

### Providers:

- The Bank of New York Mellon SA/NV
- BNP Paribas
- HSBC
- Northern Trust
- State Street

*Founders: Buckinghamshire, Cambridgeshire, Lincolnshire, Norfolk, Northamptonshire, Suffolk and the London Boroughs of Croydon and Hackney.*



## Legal Services

Jan 2015 to Jan 2019 (contracts let up to Jan 2026)

Lot 1:  
Full Service  
(England and  
Wales)

Lot 2:  
Full Service  
(Scotland)

Lot 3:  
Investment  
(UK Wide)

Lot 4:  
Benefit  
Administration,  
Employer  
Bodies and  
Governance  
(England  
and Wales)

Lot 5:  
Benefit  
Administration,  
Employer  
Bodies and  
Governance  
(Scotland)

32 Joiners  
Sharing savings  
of  
£1.1m  
over lifetime of the  
Framework

£19k Rebate  
(to 31 March  
2017)  
split between  
24 funds

### Providers:

- Burges Salmon
- Burness Paull
- DLA Piper
- Eversheds
- Gowling WLG
- Maclay Murray & Spens
- Osborne Clarke
- Pinsent Masons
- Sacker & Partners
- Squire Patton Boggs
- Trowers & Hamlins

*Founders: Buckinghamshire, Dorset, Norfolk, Suffolk, Lothian Pension Fund, the Environment Agency Pension Fund and the London Boroughs of Croydon and Hackney.*

# Stewardship Advisory Services

Nov 2016 to Nov 2020 (contracts let up to Nov 2027)

Lot 1:  
Voting Services

Lot 2:  
Engagement  
Services

Lot 3:  
Voting and  
Engagement  
Services

Lot 4:  
Stewardship  
Research and  
Data Services

Lot 5:  
Stewardship  
Related Project  
Services

## Providers:

- BMO Global Asset Management
- EIRIS
- FTSE Russell
- GES Investment Services
- Glass Lewis Europe
- Hermes Equity Owner
- Manifest
- Mercer
- MSCI
- OEKOM
- PIRC
- Robeco
- Sustainalytics

***Founders: Environment Agency Pension Fund, Lancashire, Lincolnshire, London Borough of Hackney, Lothian, Merseyside, Norfolk, Nottinghamshire, Suffolk, West Midlands Pension Fund and West Yorkshire Pension Fund***

## Third Party Administration Services

Dec 2016 to Dec 2020 (contracts let up to Dec 2028)

**Lot 1:  
Third Party  
Administration  
Services**

**Lot 2:  
Pensions  
Administration  
Support Services**

**Management  
Information  
Collection**  
Commenced  
1 April 2017

**19 Joiners**  
Sharing savings of  
**£200K** over lifetime  
of the Framework

### Providers:

- Aon Hewitt
- Capita Employee Benefits
- Equiniti
- Hymans Robertson
- Independent Transition Management
- JLT
- KPMG
- Mercer
- Orbis
- Spence & Partners Ltd
- West Yorkshire Pension Fund

***Founders: The Environment Agency Pension Fund, Flintshire, London Boroughs of Hackney and Tower Hamlets, Norfolk and West Midlands Pension Fund.***



## Investment Management Performance and Cost Monitoring and Reporting Services

April 2017 to Sept 2021 (contracts can be let up to Mar 2028)

**Lot 1:**  
Investment  
Performance  
Monitoring  
and Reporting  
Services

**Lot 2:**  
LGPS Investment  
Performance  
Comparison and  
Reporting Services

**Lot 3:**  
Investment  
Management Cost  
Monitoring and  
Reporting  
Services

29 Joiners  
Sharing savings  
of  
£448K over  
lifetime of the  
Framework

Management  
Information  
Collection  
Commenced  
1 April 2017

### Providers:

- KAS Bank
- Mercer
- Northern Trust
- Ortec
- Portfolio Evaluation
- PIRC
- CEM Benchmarking

***Founders: Carmarthenshire, Environment Agency Pension Fund, Essex, the London CIV, Staffordshire and Merseyside Pension Fund.***

## Passive Investment Services

June 2017 to June 2021 (contracts let up to Nov 2036)

**Single Lot –  
Multi Provider**

**9 Joiners**  
**Sharing savings of**  
**£50m**  
over lifetime of the  
Framework

**Management**  
**Information**  
**Collection**  
Commences  
1 April 2018

### **Providers:**

- **Blackrock**
- **Deutsche Asset Management**
- **Legal and General Investment Management**
- **UBS**

*Founders: **Cambridgeshire, Essex, Hampshire, Kent, Norfolk, Northamptonshire and Suffolk.***

## Transition Management Services Launching Late November 2017

**Multi Lot –  
Multi Provider**

**Lot 1 – Transition  
Management and  
Implementation  
Services**

**Lot 2 – Transition  
Execution  
Services**

**Lot 3 – Transition  
Management  
Advisory Services**

**Providers:**

**COMING  
SOON!**

*Founders:*

- **LGPS Central**
- **Brunel Pension Partnership,**
- **Wales Pool**
- **Borders to Coast**
- **London CIV**
- **ACCESS**



# National LGPS **Frameworks**

## **National LGPS Frameworks Team** **What do we do?**

Pippa Bestwick, Programme Director  
Nigel Keogh, Operations and Development Manager  
Leon Thorpe, Officer  
Katie Willson, Support Officer

# National LGPS Frameworks Team – what we do







# National LGPS **Frameworks**

Future Planning



# Future Planning

- **Custody Services**
  - Current framework extended to 29 April 2019
  - Re-let to be confirmed by Founders (to incorporate future LGPS requirements)
- **Legal Services**
  - Framework expires 12 Jan 2019
  - Re-let to be confirmed by Founders (to incorporate future LGPS requirements)
- **General Data Protection Regulation (GDPR)**
  - applies in the UK from 25 May 2018
  - impact assessment
  - project to ensure contracts remain in line with statutory requirements
- **Member Data Verification (including Mortality Screening, Address Tracing)**
  - This would be a new Framework
  - Founders are being confirmed
- **AVC Provider review**
  - proposal to Founders





# Future Planning

- **Founders**

- We need you.....





# Questions

**Any questions?**



National LGPS  
**Frameworks**



# National LGPS **Frameworks**

**Still ‘By the LGPS, for the LGPS’**

Please contact us:

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Tel: 01603 495922

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