



# National LGPS **Frameworks**

‘By the LGPS, for the LGPS’

Annual Meeting  
12 November 2018



National LGPS  
**Frameworks**



# Welcome and Introduction

Nicola Mark, Chair of National LGPS Frameworks

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

To gain input and agreement from Founders on how the programme should develop to support us all, particularly in the light of pooling, separation and ongoing reform.



National LGPS  
**Frameworks**



# Agenda

1. Welcome and introductions
2. Notes and actions from last Annual Meeting (9 Nov 2017)
3. Declaration of interests
4. How the Frameworks started and where we are now
5. The Frameworks and how they work
6. The latest news and developments since the last Annual Meeting
7. The financial headlines including 2017/18 outturn and 2018/19 forecast
8. The key risks facing the Frameworks
9. The forward plan for the Frameworks leading up to the next Annual Meeting
10. AOB





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**Frameworks**

## Item 4

# How the Frameworks started and where we are now

Nicola Mark

Chair of National LGPS Frameworks



# Collaboration in action (2012 – 2018)

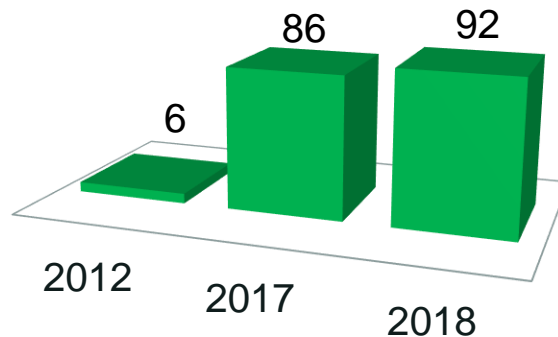


1 Framework to 12 Frameworks  
(with plans for 14 in the future)

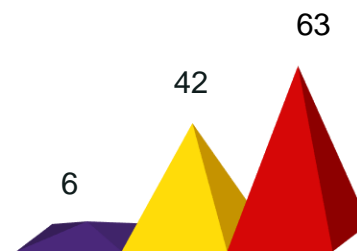
## Number of Founders



## Number of joiners



Joiners



Providers on the Frameworks

2012 2017 2018





## Collaboration in action (2012-2018)

£554k+

**Cumulative rebate  
shared between 67  
funds**

£105m+

**Savings based on  
existing users**

£35m+

**Total value of  
invoiced services  
to date**

103yrs



Effort saved (to date)



# What are the National LGPS Frameworks?

Member Data Services (2018)

Legal Services (re-let) (2019)

Investment Performance Monitoring (2017)

Transition Management Services (2017)

Passive Investment Management (2017)

Investment Consultancy Services (re-let) (2017)

Third Party Administration (2016)

Stewardship Advisory Services (2016)

Legal Services (2015)

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

Investment Consultancy (2013)

Global Custody (2013)

Actuarial and Benefits Consultancy (2012)



## Meet the National LGPS Frameworks Team



Pippa Bestwick  
Programme Director



Nigel Keogh  
Frameworks Operations  
and Development  
Manager



Leon Thorpe  
Frameworks Officer



Katie Willson  
Frameworks Support  
Officer



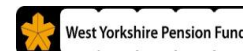
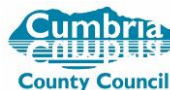
Jamie Freeman  
Frameworks Intern





# 'By the LGPS, for the LGPS'

## Thank you to our Founders:





# National LGPS **Frameworks**

**Still ‘By the LGPS, for the LGPS’**

Please contact us:

Email: [nationalLGPSframeworks@norfolk.gov.uk](mailto:nationalLGPSframeworks@norfolk.gov.uk)

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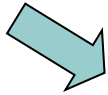
Item 5  
The Frameworks and how  
they work

Leon Thorpe  
National LGPS Frameworks Officer



# 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





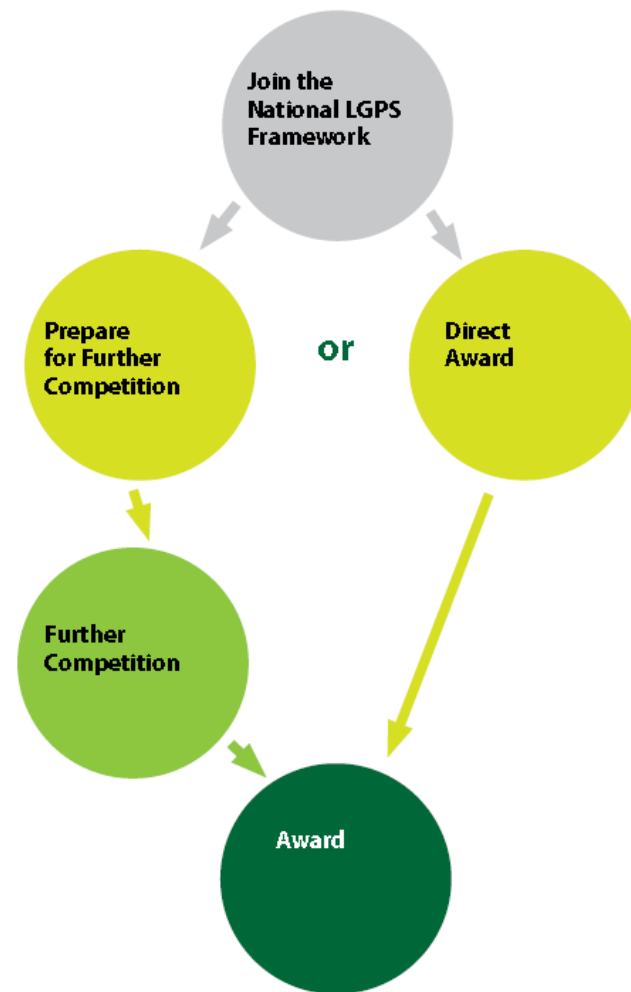
# Creating a National LGPS Framework

- Identifying Requirement
- Finding Founders
- Market Research / Engagement
- Prior Information Notice published
- Contract Notice then published
- Invitation to Tender issued which includes:
  - Specification of requirements
  - Final Terms and Conditions
  - Fee/pricing schedule
- Deadline for submission of clarification questions
- Deadline for submission of tenders (this is usually about a week after the final clarification date)
- Contract Award and standstill
- Service Commencement



# How it works for users

- Contact National LGPS Frameworks
- Introduction Pack containing:
  - Introduction Notes
  - Confidentiality Statement
  - Sample Members Access Agreement
- Return Confidentiality Statement
  - Before receiving Provider's catalogues and pricing structures Funds are required to sign and return a Confidentiality Agreement
- Once a decision is made to utilise the Framework a Members Access Agreement is signed.





## 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



# 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





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**Frameworks**

## Item 6

The latest news and  
developments since the last  
Annual Meeting

Pippa Bestwick  
Programme Director

# 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**

**£288k+ Rebate  
(to 31 March 2018)  
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



# 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

**46 Joiners**  
Sharing savings of  
£17.9m+  
over lifetime of the  
Framework

**Lot 3:**  
Governance  
Consultancy

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

**£18k+ Rebate**  
(to 31 March  
2018)  
split between  
16 funds

## Providers:

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

# Investment Consultancy Services

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

Single Lot –  
Multi Provider

£160k+ Rebate  
(to 31 March 2018)  
split between  
28 funds

42 Joiners  
Sharing savings of  
£3.6m+  
over lifetime of the  
Framework

## Providers:

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

# 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**

**Management  
Information  
Collection  
Commenced  
1 January 2018:  
Nominal amount for  
2017-18 – will be  
rolled forward to  
2018-19**

**23 Joiners  
Shared  
savings of  
£156k**

## Providers:

- Alpha FMC
- Aon Hewitt
- bfinance
- Deloitte
- Hymans Robertson
- JLT Employee Benefits
- KPMG
- Mercer
- MJ Hudson Allenbridge
- PwC
- Redington
- The Smart Cube



# Global Custody Services (extended)

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

**Single Lot –  
Multi  
Provider**

**£34k+ Rebate  
(to 31 March 2018)  
split between  
17 funds**

**33 Joiners  
Sharing savings of  
£10.4m+ 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**



# 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)**

**36 Joiners  
Sharing savings  
of  
£1.2m+  
over lifetime of the  
Framework**

**£52k+ Rebate  
(to 31 March  
2018)  
split between  
26 funds**

## Providers:

- **Burges Salmon**
- **Burness Paull**
- **Dentons UK & Middle East LLP**
- **DLA Piper**
- **Eversheds**
- **Gowling WLG**
- **Osborne Clarke**
- **Pinsent Masons**
- **Sacker & Partners**
- **Squire Patton Boggs**
- **Trowers & Hamlins**

# 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**

**16 Joiners  
Sharing savings of £200k**

**Providers:**

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





# 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

**24 Joiners**  
Sharing savings of  
**£860K** 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

# 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

**47 Joiners**  
Sharing savings  
of £1m+ over  
lifetime of the  
Framework

**Management  
Information  
Collection**  
Commenced  
1 January 2018

## Providers:

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

# Passive Investment Services

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

**Single Lot –  
Multi Provider**

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

**Management  
Information  
Collection  
Commenced  
1 January 2018**

## Providers:

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

# Transition Management Services

## December 2017 to 2021 (contracts let up to 2024)

**Multi Lot –  
Multi Provider**

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

**Lot 2 –  
Transition  
Execution  
Services**

**Lot 3 –  
Transition  
Management  
Advisory  
Services**

**Management  
Information  
Collection  
Commenced  
1 April 2018**

### **Providers:**

- BlackRock
- Citigroup Global Markets Ltd
- Goldman Sachs
- Hymans Robertson
- LGIM
- Macquarie Capital
- Mercer
- MJ Hudson
- Allenbridge
- Northern Trust
- Russell Investments

# Member Data Services

Launched Oct 2018 – contracts can be let up to Sep 2024



**Multi Lot –  
Multi  
Provider**

**Lot 1 –  
Address  
Tracing and  
Correction  
Services**

**Lot 2 –  
Mortality  
Screening  
Services**

**Lot 3 –  
Overseas  
Address  
Tracing and  
Correction  
Services**

**Lot 4 –  
Overseas  
Mortality  
Screening  
Services**

## Providers:

- Accurate Data
- GB Group PLC
- JLT Employee Benefits
- Target Professional Services



**BEDFORD**  
BOROUGH COUNCIL

**Hackney**



**Norfolk Pension Fund**

**Lothian**  
PENSION FUND

**Merseyside**  
PENSION FUND

**West Midlands Pension Fund**  
Contributing together  
for your future



# Legal Services (re-let) Launching January 2019

**Multi-lot,  
Multi-  
provider**

**Lot 1 – Full  
Service  
(England  
and Wales)**

**Lot 2- Full  
Service  
(Scotland)**

**Lot 3 – Full  
Service  
(Northern  
Ireland)**

**Lot 4 –  
Investment  
(UK wide)**

**Lot 5 – Benefit  
Administration,  
Employer  
Bodies and  
Governance  
(England and  
Wales)**

**Lot 6 – Benefit  
Administration,  
Employer  
Bodies and  
Governance  
(Scotland)**

**Lot 7 – Benefit  
Administration,  
Employer  
Bodies and  
Governance  
(Northern  
Ireland)**

**Providers:**

**COMING  
SOON!**



**Environment Agency  
Pension Fund**





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10. AOB





## Item 7

The financial headlines  
including 2017/18 outturn and  
2018/19 forecast

Nigel Keogh

Frameworks Operation and Development Manager





National LGPS  
**Frameworks**

## Item 8

# The key risks facing the Frameworks

Pippa Bestwick  
Programme Director



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## Item 9

The forward plan for the  
Frameworks leading up to the  
next Annual Meeting

Pippa Bestwick  
Programme Director



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Item 10  
AOB



# National LGPS **Frameworks**

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