



# National LGPS **Frameworks**

By LGPS Funds, for LGPS Funds

National LGPS Frameworks, a  
place in the future world...

Nicola Mark – Head of Norfolk  
Pension Fund

# POLDARK







# THE MUSKETEERS



# THE LORD OF THE RINGS

## THE FELLOWSHIP OF THE RING

PG-13 PARENTS STRONGLY CAUTIONED



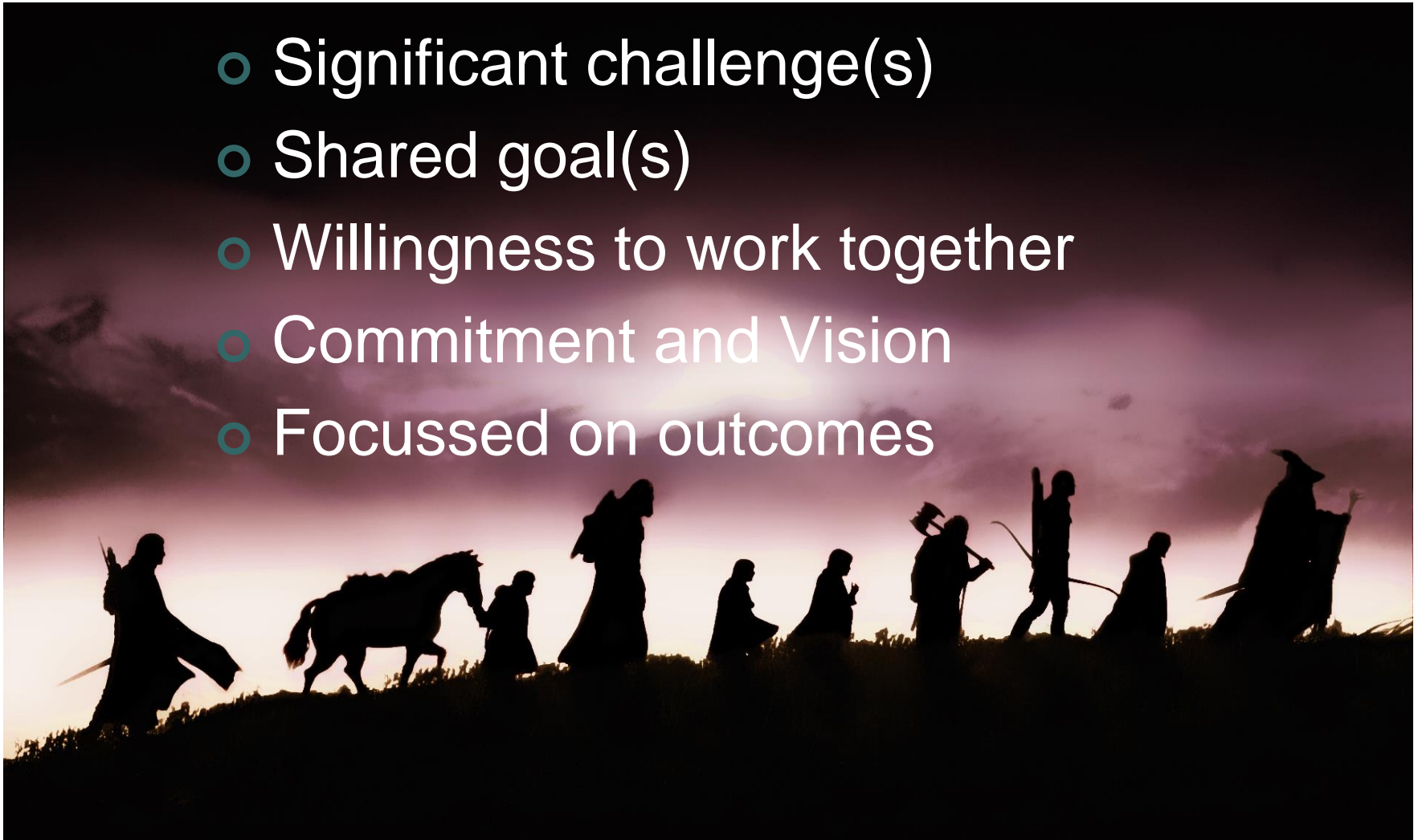
NEW LINE CINEMA PRESENTS A WARNER BROS. PICTURES PRODUCTION "THE LORD OF THE RINGS: THE FELLOWSHIP OF THE RING" CASTING BY JUDITH LAURENCE COSTUME DESIGNER ANDREW DUNN MUSIC BY NEWMAN MUSIC EDITOR ANDREW A. KOSOVE EXECUTIVE PRODUCERS JAMES NEASE AND JAMES WATSON PRODUCED BY JAMES WATSON AND JAMES NEASE WRITTEN BY PHILIPPA BOYEN AND J.R.R. TOLKIEN DIRECTED BY PETER JACKSON

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# What did they all have in common?

- Significant challenge(s)
- Shared goal(s)
- Willingness to work together
- Commitment and Vision
- Focussed on outcomes





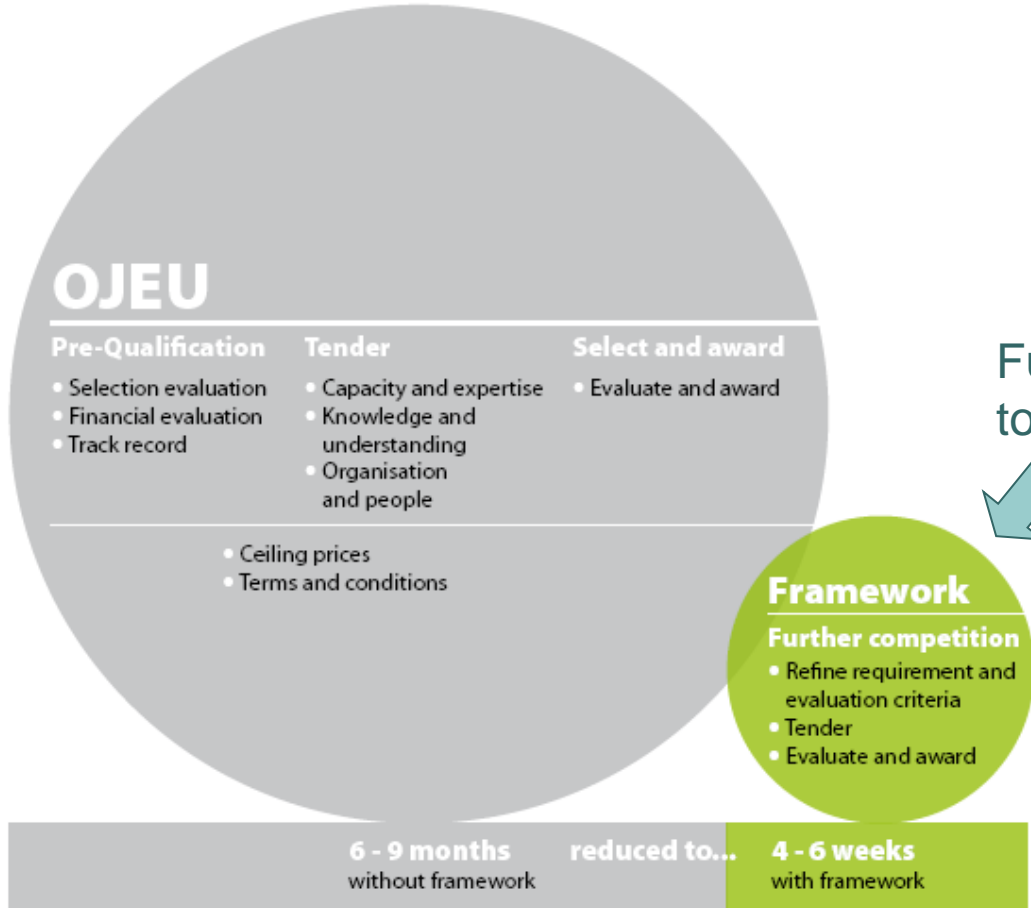
## National LGPS Frameworks collaboration in action:

- We all have to buy specialist services
- We all have to comply with Public Contracts Regulations
  - National LGPS Frameworks are an OJEU compliant procurement vehicle
  - **Remove** the need to independently undertake full European union (OJEU) procurement
  - **Retain** local service definition and decision making
  - **Leverage** our combined buying power
  - **All Funds** can use
- Tested and proven way to **save time, save money**



# How does it work?

National LGPS Frameworks do this



Funds just need to do this



National LGPS Frameworks





# How do they save Funds time and money?

- Efficient
- Agreed Terms and Conditions
- Best practice procurement
- Deliver value for money
  - Further competition
  - Shared benefits
- Opportunities for wider public sector use
- Self-funding – with rebate to participants if any surplus

## Different types of frameworks

There are several different types of framework arrangements. The National LGPS Frameworks are either **Multiple User – Single Lot** or **Multiple User – Multiple Lot frameworks**. All are multi provider. All LGPS Funds and participating employing authorities can use the framework to procure pension fund services.

Single User -  
Single Lot

Single User -  
Multiple Lot

Multiple User -  
Single Lot

Multiple User -  
Multiple Lot



# Open to all LGPS Funds

- Currently no obligation to use:
  - greater use = greater benefits
- Retain **local service definition**
- Retain **local decision making** and **accountability**
- **Save time** and **money** on your procurement (cut from 6-12 months to 4-8 weeks)
- Benefit from **pre-agreed T's and C's** and **ceiling prices**
- Share in the collaborative rebate

The National LGPS Framework for Actuarial and Benefit Consultancy Services reduces the time and cost associated with procurement by offering a facility that has already been competitively tendered.

**'By LGPS Funds, for LGPS Funds'** the National LGPS Framework is uniquely open to all LGPS Funds nationally for the procurement of actuarial and benefit consultancy services from a range of qualified providers.





# Good for suppliers too:

- Much more efficient process – focus on the variables
- Faster and consistent procurement process = new business known quicker!
- Greater flexibility to fit procurement processes into business requirements
- Large volumes of work can go through frameworks
- Agreed Terms and Conditions
- Standard tender documentation
- Potential for more business- access to the whole of the LGPS!



# National Procurement Frameworks

## 'For the LGPS, by the LGPS'

- Collaboration in action today delivering outcomes now:
  - Fast and efficient OJEU compliant procurement
  - Leveraging buying power and influence of combined Funds
  - Available to all the LGPS
  - Retaining local service definition and choice
  - Influencing the market place
- Further opportunities including
  - Greater usage = greater benefits (Comply or Explain?)
  - Next frameworks – Stewardship, re-let Actuarial and Investment Consultancy
  - Further frameworks (Passive Fund management, transition management, AVC providers....?)
  - 'Trusted trader' approach for smaller value specialist services (IFA's...?)
  - Wider public sector coverage?



**For DB Innovation**



# National LGPS Frameworks

- 4 frameworks live
  - Over 40 Contracts Awarded + Direct Awards through Legal Services Framework
  - A further 47 further competitions underway
  - 18 funds have benefited from cumulative rebates totalling £25,644.08. As more funds join the figure will increase. Cumulative rebates continue beyond the end of the framework until the maximum end date for Further Competitions
  - 76 individual funds have engaged with the project



## Joining Costs

- Actuarial & Benefit Consultancy Service - £2,000
- Investment Consultancy Services Framework - £5,000
- Global Custody Services Framework - £8,000
- Legal Services Framework
  - Full Service Provider - £3,500
  - Direct Award - £350, one off joining cost giving unlimited access to all Legal Specialists on framework for the life of the framework.



## Future Frameworks

- Stewardship Services
- Re-let of Actuarial and Benefits Consultancy Services and Investment Consultancy Services
- Launch of Passive Framework
- Other Asset Classes ?? (in context of pools??)
- Property Investment
- 3<sup>rd</sup> Party Administration



# National LGPS Frameworks

The range of fees is as follows estimated as follows:-

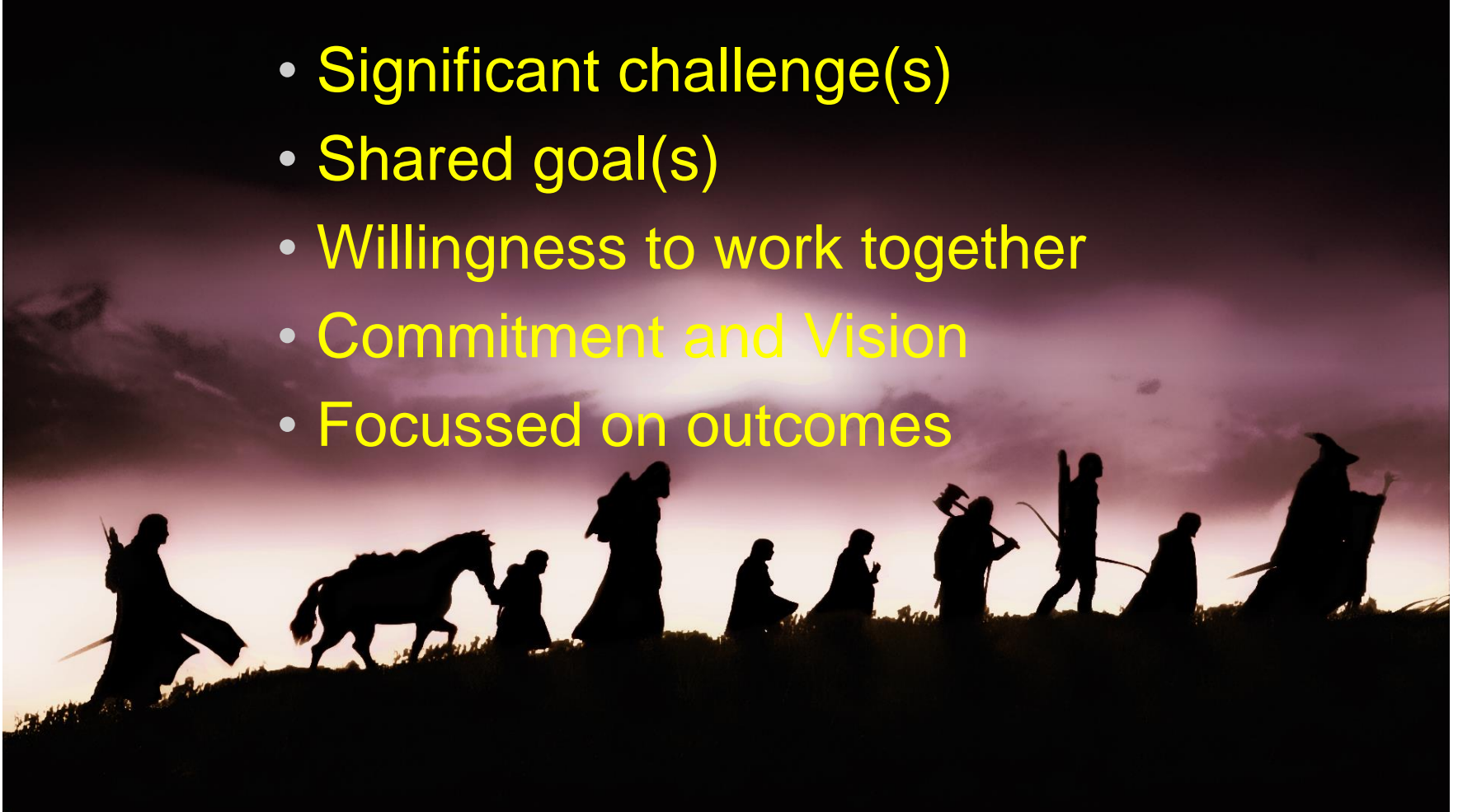
Passive:	- UK Equity	3-4bps
	- I/L Gilts	4-5bps (smaller mandate)
	- overseas equity	5-12bps (estimate – depends on index etc.)
Active	- UK Equity	30-50bps
Active	- Global Equity	30-85bps
Active	- Fixed Income (traditional)	20-45bps
Active	- Fixed income (absolute return)	30-55bps
Property		50 -200bps (depending on vehicle and sector)

Fees are dependent on mandate size, manager capacity and target.



# The LGPS journey continues...

- Significant challenge(s)
- Shared goal(s)
- Willingness to work together
- Commitment and Vision
- Focussed on outcomes



Coming together is a  
**BEGINNING**

Keeping together is  
**PROGRESS**

Working together is  
**SUCCESS**

Henry Ford





# National Procurement Frameworks for the LGPS Founders and Partners



**Dorset County Pension Fund**  
Administered by Dorset County Council



National LGPS  
**Frameworks**

By LGPS Funds, for LGPS Funds

