



Glasgow City Council

Strathclyde Pension Fund Committee

Report by Director of Strathclyde Pension Fund

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**Item 7**

**2<sup>nd</sup> June 2021**

**Appointment: Legal Services**

**Purpose of Report:**

To conclude a tendering exercise for a legal services provider.

**Recommendation:**

The Committee is asked to **APPROVE** the appointment of **Pinsent Masons** to provide legal services.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

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## **1 Background**

The Fund requires an end-to-end independent legal advice service, covering all aspects of the law and regulations relevant to LGPS Administering Authorities and Employing Bodies in Scotland and their involvement in the Fund. In particular, the Fund requires legal advice related to investment funds, investment management contracts, Scottish discretionary property and from time to time advice in relation to investment regulation, tax or benefits payments. Pinsent Masons have provided this service since 2007, having been re-appointed in 2017 for a four year period. A tendering exercise to review this arrangement is included in the 2021/22 Business plan. This exercise is described below.

## **2 Tendering Process**

In line with the efficiency and effectiveness aim of the Council's Corporate Procurement and Commercial Improvement Strategy 2018 - 2022 (which promoted consideration of National and Collaborative Frameworks), it was agreed that the most appropriate procurement route to deliver this contract would be a mini-competition process under the National Local Government Pension Scheme (LGPS) Legal Services Framework Agreement; Lot 2 – Full Service Scotland ("the Framework") reference NCT41620.

## **3 Mini-Competition**

The tendering exercise commenced when an Invitation to Mini-Competition was issued to all 4 suppliers appointed to the Framework.

The suppliers who received the mini-competition documentation were:

- Brodies
- Burness Paull
- Eversheds Sutherland
- Pinsent Mason

Of the 4 suppliers: 3 submitted a tender by the 4<sup>th</sup> May 2021 deadline; 1 indicated that they did not believe they could submit a competitive tender at this time.

## **4 Scope of Service**

The mini-competition documentation included a detailed scope of the services required by the Fund. This is summarised in Appendix A.

## **5 Award Criteria**

The mini-competition requested responses to 12 technical questions designed to assess the quality of each of the supplier's proposals, as well as seeking detailed pricing information for commercial and value for money assessment. Fair work practices were also assessed, and details of voluntary community benefits were requested. The mini-competition award criteria were divided as follows:

- |                                 |     |
|---------------------------------|-----|
| • Quality/ Service Fit          | 65% |
| • Quality – Fair Work Practices | 5%  |
| • Price                         | 30% |

## **6 Evaluation**

The evaluation panel comprising officers of the Fund and the Corporate Procurement Unit (CPU) assessed the tender responses and allocated a score to each candidate. CPU assessed the pricing and fair work practices submissions and allocated a score to each candidate.

## 7 Final Scores

The final scores for each candidate were as follows.

- Brodies 83.9%
- Eversheds Sutherland 79.3%
- Pinsent Masons 89.3%

On the basis of the award criteria **Pinsent Masons** tendered the most advantageous proposal for the Fund.

## 8 Pinsent Masons

Pinsent Masons LLP is a limited liability partnership providing commercial legal services globally. The firm has 25 offices on 4 continents, employing 1,991 partners and lawyers, and over 3,400 people in total. The firm has market-leading national coverage, and in Scotland has offices in Glasgow, Edinburgh and Aberdeen, offering a multi-disciplinary team of specialists in all areas required by LGPS for related legal matters, including investment, pensions, real estate, tax, employment and commercial law.

## 9 Implementation

Subject to conclusion of contract the appointment will be effective from 1<sup>st</sup> July 2021 and will run for an initial period of 5 years. There is also the option to extend the contract for a further period of up to 2 years.

## 10 Policy and Resource Implications

### Resource Implications:

*Financial:* Net total cost of the contract is estimated to be £875k. This may vary due to actual demand and requirements for services through the life of the contract. Prices are fixed for the first five years of the contract.

*Legal:* Standard call-off terms are agreed with suppliers when the framework is put in place, allowing only for minor amendments by clients. These terms have already been reviewed by a GCC solicitor.

*Personnel:* No direct personnel implications

*Procurement:* The framework and call off process are described in sections 2 and 3 above. The process was conducted in accordance with European procurement rules.

**Council Strategic Plan:** Strathclyde Pension Fund aligns with the theme of a well governed city.

### Equality and Socio-Economic Impacts:

*Does the proposal* The procurement supports best practice in the

*support the Council's Equality Outcomes 2017-22*

procurement of services. Equalities issues were addressed in the tender process within the Fair Work Practices assessment.

*What are the potential equality impacts as a result of this report?*

An EQIA is not required for this contract. The procurement process adheres to the procurement strategy which in turn supports the principles of the EQIA.

*Please highlight if the policy/proposal will help address socio economic disadvantage:*

Fair Work Practices were accounted for in the procurement exercise and outcomes can be seen below. Community Benefits were voluntary.

### **Sustainability Impacts:**

Environmental:

UK Offices (including Glasgow) are certified to ISO 14001. Pinsent Masons's Sustainability (Environment and Energy) Policy confirms the firm's commitment to minimise the environmental impact of its business, covering all operational areas including the sourcing of materials, waste and recycling, energy consumption, business travel and the provision of information and training.

Social, including opportunities under Article 20 of the European Union Procurement Directive:

Pinsent Masons is committed to fair work practices and maintains comprehensive policies on diversity and inclusion, wellbeing, and equality. In 2017, Pinsent Mason were accredited as a Living Wage employer by the Living Wage Foundation, thereby demonstrating commitment to ensuring everyone, including employees or third party contractors, receives a minimum wage based on the best available evidence of living standards across the UK, including Scotland.

Economic:

The recommended supplier, Pinsents Mason, has confirmed the following Community Benefits as part of this contract:

- 1 x School Mentoring or Enterprise Programme
- 5 x Work Experience Placement - Non School
- 5 x Workplace Visit
- 1 x Business Mentoring
- 2 x Community Engagement - Non-Financial Support (min. 5 hrs)

**Privacy and Data  
Protection impacts:**

To be provided for in the legal documentation for the proposed service.

**11 Recommendation**

The Committee is asked to approve the appointment of **Pinsent Masons** to provide legal services to the Strathclyde Pension Fund.

### Scope of Service

GCC/SPF requires an end-to-end legal advice service, covering all aspects of the law and regulations relevant to LGPS Administering Authorities and Employing Bodies in Scotland and their involvement in the Strathclyde Pension Fund. The matters are often of high value and the work is likely to include, but is not restricted to the provision of advice, acting as agent of the Council, drafting documentation, instructing other advisors/contractors.

The legal services required may include all of those noted under the National Local Government Pension Scheme (LGPS) Legal Services Framework Agreement Lot 2 – Full Service (Scotland) but in particular legal advice related to investment funds, investment management contracts, Scottish discretionary property (transactional, contentious and planning/development) and from time to time advice in relation to investment regulation, tax or benefits payments.

The successful bidder will be expected to provide legal advice and assistance across a range of investment types, modalities and jurisdictions and to have due regard for the need for work to be carried out efficiently and economically as well as for the complexity of the work concerned.

The successful bidder may be required to provide information and other assistance necessary to GCC/SPF and/or Counsel where required for Court etc.

Given the range of investments undertaken by SPF, the legal provider will be expected to be qualified to provide legal advice (or be able to procure appropriate provision of legal advice) for matters governed by the laws of Guernsey, Luxembourg and various states of America.

Commercial property in England and Wales is not included.