

Scheme Advisory Board

REQUEST FOR INFORMATION NOTICE

LOCAL GOVERNMENT PENSION SCHEME ADVISORY BOARD (SAB)

Overview

The Local Government Pension Scheme Advisory Board is a body set up under [Section 7 of the Public Service Pensions Act 2013](#) and [The Local Government Pension Scheme Regulations 110-113](#).

Background

The Board's purpose is to:

- Provide advice to the Secretary of State and to administering authorities on “the desirability of changes to the scheme” and “in relation to the effective and efficient administration and management” of the LGPS in England & Wales (“the Scheme”)
- Provide a framework to encourage best practice, increase transparency and coordinate technical and standards issues across the sector.

A key area in which the Board encourages best practice is in the transparency of investment management costs. The Board is keen that the LGPS is seen as a value-led and innovative scheme and investment fee transparency and consistency across pension funds / asset owners forms part of this goal.

A Code of Transparency covering investment management fees and costs was developed by the Board and launched in May 2017. The current Code can be found [here](#). For LGPS funds to have the relevant data to investigate and understand their respective fees and costs, the SAB, the Pensions and Lifetime Savings Association (PLSA) and the Investment Association – who together formed the Cost Transparency Initiative (CTI) in 2018 – developed CTI templates for use in association with the Code. These templates can be found [here](#). Institutional Limited Partners Association (ILPA) templates are also in common use by private markets managers and are acceptable.

In 2018, the Board undertook a procurement exercise to develop a data compliance system which collects the aforementioned templates and allows LGPS funds to have access to information on fees paid to investment managers in one place. The system also allows for the SAB to have oversight of compliance with the Code of Transparency and allows LGPS funds to run a suite of reports as well as compare their costs with funds of a similar size.

The detailed data submitted by fund managers remains visible only to that fund manager, its client(s) and the provider of the system – the latter for administrative purposes only.

Information requested

We are inviting suppliers to engage and provide their views and responses to the Board on the following areas so that they might inform future thinking in relation to a potential procurement:

Scheme Advisory Board Secretariat

Local Government Association, 18 Smith Square, Westminster, London SW1P 3HZ

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1. The data compliance system currently has two factor authentication, but we are open to alternative security measures and in particular any non-app based authentication methods.
2. Data hosting capabilities and solutions for hosting and transferring the existing data from the current system.
3. The type of data validation functionalities your company has to offer (arithmetical, format, sense checking etc.) and the spread of costs for this to assist with informing any potential future specification.
4. The capabilities of using machine learning in data monitoring and compliance systems. Of particular interest are ideas for using machine learning to validate inputted data based on past trends, however additional suggestions are welcome.
5. A system which allows for a direct feed of data to commercially available benchmarking systems. The LGPS's [Norfolk Procurement Framework](#) currently has two benchmarking service providers readily available to funds and information should be provided on whether it is possible to provide a service that is integrated with these and other benchmarking systems.
6. The extent and depths of training required and available for users to effectively make use of the systems and delivery options and how you suggest this requirement be implemented.
7. The administrative support facilities available with your systems.
8. Suggestions on the improvement and timeliness of data collection in private markets investments.
9. A brief suggestion of any other functionalities/ideas that could be beneficial for this type of system.
10. In order to inform the level at which any potential future specification is pitched, we would appreciate an indicative figure for the costs and development time for a bespoke data system.
11. Typical resources needed and timeline to delivery for a bespoke data system.

How to Answer

Please submit your responses (maximum of 2000 words) to sabsecretariat@local.gov.uk by 6th August 2024. We will be holding a meet the buyer event on 10th July 2024 from 12pm – 1pm (BST) at the LGA offices in Smith Square. Please indicate if you will be joining us by sending an email to the SAB Secretariat by 12pm (BST) on 8th July 2024 at the latest.

Disclaimer

At this stage there is no guarantee of a future procurement as this will be subject to consideration and approval by the Board. The value and length of any potential contract is to be determined if a procurement exercise goes ahead and this early market engagement is designed to feed into decisions and about the scope and parameters of any future procurement.

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If the Board decides to undertake a procurement exercise, it is expected that this will take place from April 2025 to September 2025 with the system going live by August 2026.

All information provided by respondents will be on a non-prejudicial basis and will be treated with sensitivity (to the extent possible under Freedom of Information regulations).

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