

**To:** Investment Review Board

**On:** 12 June 2019

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**Report by:** Director of Finance and Resources

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**Heading:** Investment manager tender exercise

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**1. Summary**

- 1.1 The Council has an arrangement in place for the investments of the Paisley and Renfrew Common Good Funds to be managed by Aberdeen Standard Capital Limited (formerly called Standard Life Wealth Limited).
- 1.2 This arrangement between the Council and Aberdeen Standard Capital Limited is in the form of a contract that commenced on 1 July 2014 for a period of three years with an option (that was exercised) to extend the contract for a further two years. Thus, the current arrangement comes to a contractual end on 30 June 2019.
- 1.3 A tender exercise was undertaken by Council officers that followed the Council's normal procurement procedures, and that took a similar form to the previous investment manager tender exercise in 2013/14.
- 1.4 During the tender exercise 40 managers expressed interest, and 15 tender submissions were received by the closing date. One submission was subsequently withdrawn and one further submission deemed non-compliant. Tenders were evaluated using a two-stage process of bid selection and award criteria. Hymans Robertson LLP assisted with the evaluation process, which generated a shortlist of three managers who were invited to interview to further present their submissions.
- 1.5 Bidders were evaluated using 20% price / 80% quality criteria, and following the completion of the evaluation it was recommended that

Aberdeen Standard Capital Limited be recommended for appointment. The appointment will be for a three-year term from 1 July 2019, with the option to extend the contract for up to a further two years.

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2.           **Recommendations**

- 2.1           To note that the contract for investment manager services has been formally awarded to Aberdeen Standard Capital Limited (following expiry of the relevant call-in and standstill periods) as agreed by the Finance, Resources and Customer Services Policy Board on 27 March 2019.
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## Implications of the Report

1. **Financial** – Financial costs in respect of this contract will be met from the Council, the Paisley and Renfrew Common Good Funds and the Renfrewshire Educational Trust.
2. **HR & Organisational Development** – none
3. **Community Planning** – Tenderers were assessed within this procurement process with regard to their approach to ensuring fair working practices throughout their organisation, including payment of the Living Wage and training and development opportunities.
4. **Legal** – The procurement of this contract was conducted in accordance with The Public Contracts (Scotland) Regulations 2015 and the Council's standing orders relating to contracts for an above-EU threshold services contract.
5. **Property/Assets** – none
6. **Information Technology** – none
7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none
9. **Procurement** – Procurement of this contract was conducted in accordance with the open procedure for an above-EU threshold services contract under The Public Contracts (Scotland) Regulations 2015 and the Council's Standing Orders relating to Contracts.
10. **Risk** – There are financial risks in investing in the stock market, however these are understood and managed by providing the investment manager with clear investment principals and risk tolerances within which to invest and these principals are reviewed annually by the Investment Review Board. Aberdeen Standard Capital Limited has submitted a satisfactory level of insurance for the delivery

of this contract.

11. **Privacy Impact** – none

12. **COSLA Policy Position** – none

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**List of Background Papers**

None

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