

To: Finance, Resources and Customer Services Policy Board

On: 13 June 2024

Report by: Director of Finance and Resources

Heading: Active Multi Asset Investment Manager (RC-CPU-23-222)

1. Summary

- 1.1 The purpose of this report is to seek the approval of the Finance, Resources and Customer Services Policy Board to enter into a contract for an Active Multi Asset Investment Manager with LGT Wealth Management Limited (CRN SC317950).
- 1.2 The recommendation to award this Contract follows a procurement exercise which was conducted in accordance with the above GPA Threshold Open Procedure for Services and the Council's Standing Orders relating to Contracts for a service contract above Threshold.
- 1.3 A Contract Strategy for this Contract was approved by:
- 1.3.1 The Director of Finance and Resources on 01 March 2024;
 - 1.3.2 The Head of Finance and Procurement on 27 February 2024;
 - 1.3.3 Corporate Procurement Manager on 27 February 2024.
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2. Recommendations

It is recommended that the Finance, Resources and Customer Services Policy Board:

- 2.1 Authorises the Head of Corporate Governance to award the Contract for an Active Multi Asset Investment Manager, reference RC-CPU-23-222, to LGT Wealth Management Limited;

- 2.2 Authorises the maximum approved Contract value of £698,610 excluding VAT for the full Contract period, including any extensions (£139,722 per annum).
 - 2.3 Authorises the Contract for a period of 3 years with the option to extend for up to a further 2 years. The anticipated Commencement Date of the Contract is 01 September 2024; the actual Commencement Date will be confirmed in the Council's Letter of Acceptance.
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3. **Background**

- 3.1 The Council has a current Contract for an Active Multi Asset Investment Manager which expires on 31 August 2024. The Contract is for a provider with relevant experience to invest the cash resources of the Paisley and Renfrew Common Good Funds; Renfrewshire Council Insurance Fund and Renfrewshire Educational Trust Fund (a charity) to generate a return which is then distributed in accordance with the individual funds to support relevant projects.
- 3.2 A contract notice was published on the Find a Tender Service via the Public Contracts Scotland website on 05 March 2024. The Invitation to Tender was also published and available on this date from Public Contracts Scotland - Tender. The Tender Deadline for submission was 12 noon on 05 April 2024.
- 3.3 During the tender period, 31 economic operators viewed the tender opportunity; 5 submitted tender responses and 26 failed to respond by the Tender Deadline. Feedback was sought from those who did not submit; responses included lack of resource to complete the tender exercise, or non-alignment with organisational activities.
- 3.4 Tender submissions were evaluated against a pre-determined set of criteria in the form of the Single Procurement Document (SPD) evaluated by representatives from the Corporate Procurement Unit (CPU) and by representatives from Finance, Cyber Security, Health and Safety and Risk teams, against pre-determined bidder selection criteria which assessed competence and expertise.
- 3.5 All tenderers confirmed compliance with the minimum selection criteria set within the SPD. Each tender submission was then evaluated against the published award criteria of 80% Quality and 20% Price by both CPU and representatives from Finance and Resources.

- 3.6 The Contract Notice and Invitation to Tender required that all tenderers had to obtain a quality score of 60% to be invited to undertake a presentation of the tender submission to validate the Quality scoring and to have their Commercial submissions (Pricing Schedule) evaluated (weighted at 20%). Any tenderer who obtained a score of 59.99% or below was excluded from the Procurement Process. Following evaluation, 4 tenderers achieved 60% or more for Quality and were invited to a presentation based on their submission on 14 May 2024.
- 3.7 The Invitation to Tender stipulated that the Council reserved the right to amend the quality submission scoring based on the presentation, where it did not fully validate or affirm the written responses submitted by the Tenderer. The Quality score of 1 tenderer was amended downward, in line with the instructions contained within the Invitation to Tender.
- 3.8 CPU then evaluated the tender submissions of the 4 remaining Tenderers and arrived at a Total Score for each tenderer. The Total Scores (Quality 80% and Commercial 20%) were as follows:

Tenderers Name	Quality (80%)	Commercial (20%)	TOTAL (100%)
LGT Wealth Management Limited	73.50%	20.00%	93.50%
Evelyn Partners Investment Management Services Limited	69.50%	18.11%	87.61%
Canaccord Genuity Wealth Management Limited	67.75%	17.13%	84.88%
Rathbones Investment Management Limited	69.25%	14.05%	83.30%

The evaluation of the tender submissions received identified that LGT Wealth Management Limited tender submission was the most economically advantageous tender.

- 3.9 Community Benefits were requested as part of the evaluation process. The following Community Benefits will be delivered by LGT Wealth Management Limited as part of the Contract:

Community Benefit	Number Offered
Business advice/support to an SME/Social Enterprise/Vol Org	2
Financial support for a community programme/Charity.	2
Industry awareness events	2
Industry skill transfer to schools	1
Non-Financial Support for a community programme/Charity	3

Implications of the Report

1. **Financial** - The maximum approved Contract value of £698,610.00 excluding VAT for the full Contract period, including any extensions (£139,722 per annum). The anticipated Commencement Date of the Contract is 01 September 2024. 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** – No HR/Organisational Development have arisen or are anticipated.
3. **Community/Council Planning** –
 - **Our Renfrewshire is thriving: Maximising economic growth, which is inclusive and sustainable** - Achieving Inclusive Growth by making sure Renfrewshire’s investment and opportunities deliver for all
 - **Economy - building an inclusive, green and resilient economy (matching people, skills and opportunities)** - Continuing to maximise the opportunities from large investment programmes from the UK and Scottish Governments, ensuring Renfrewshire is well positioned to attract funding for projects that will enhance our economy and benefit our communities.
 - **Living our values - making a difference together** - Sharpening the focus of our organisation to ensure future financial sustainability.
4. **Legal** – The procurement of this Contract was conducted in accordance with the above GPA Threshold Open Procedure for Services and the Council’s Standing Orders relating to Contracts.
5. **Property/Assets** - No property/assets implications have arisen or are anticipated.
6. **Information Technology** - ICT and Cyber Security was evaluated by the Council’s ICT Services and LGT Wealth Management Limited has provided evidence of Cyber Essential Accreditation.
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** – LGT Wealth Management Limited health and safety credentials were evaluated by Corporate Health and Safety and met the Council's minimum requirements regarding health and safety.
9. **Procurement** - The procurement of this Contract was conducted in accordance with the above GPA Threshold Open Procedure for Services and the Council's Standing Orders relating to Contracts.
10. **Risk** – LGT Wealth Management Limited insurance documentation was evaluated the Council's Risk team and met the Council's minimum requirements set out in the Contract Notice.

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. The Council's Risk Manager advised on the required Insurance policies.

11. **Privacy Impact** - No Privacy Impact implication has arisen or is anticipated.
12. **Cosla Policy Position** – No Cosla policy position implications have arisen or are anticipated.
13. **Climate Risk** – The level of impact associated with provision of this service has been assessed using the Scottish Government Sustainability Test and is considered to be low risk.

Restriction on the Paisley Common Good Fund and Renfrewshire Common Good Fund include no direct investment in fossil fuel stocks, i.e., oil and gas majors and thermal coal extractive companies

List of Background Papers - n/a

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