

PROVISION OF INDEPENDENT PENSION ADVICE TO THE SPCB

Executive summary

1. Following the SPCB meeting on 21 March 2012 parliamentary officials were asked to consider options for an independent pension adviser delivering an annual update/presentation about pension matters to the SPCB in its residual capacity as scheme sponsor of the Scottish Parliamentary Contributory Pension Fund (SPCPF).

Issues and Options

2. The SPCB will be aware that when the Scottish Parliamentary Pensions Act 2009 came into force on 1 September 2009 all of the SPCB's functions, rights, obligations and liabilities in respect of the management of the Scheme transferred from the SPCB to the Fund Trustees.

3. To enable the Fund Trustees to carry out their responsibilities from the transfer date all the contracts that the SPCB had put in place to provide it with the required pension advice in managing the SPCPF, for example, actuarial, investment fund manager and legal adviser contracts, were formally transferred over to the Fund Trustees.

4. As the SPCB is no longer party to these contracts the SPCB could seek advice on its responsibilities as sponsor of the SPCPF in a number of ways as follows:

- from relevant SPCB officials eg :-
 - the Pensions and Reward Policy Adviser;
 - the Head of HR and Security;
 - the Office of the Solicitor to the Scottish Parliament;
 - the Head of Financial Resources;
 - the Financial Controller;
- from any one of the 3 legal firms that the SPCB has contracted with to provide it with pension advice through the Office of the Solicitor to the Scottish Parliament;
- from one of the pension advisers now contracted to the SPCPF's trustees (The Trustees have confirmed that they are happy for their advisers to be invited to attend SPCB annually for this purpose);
- by appointing an independent pension adviser to specifically deliver this requirement.

5. Whilst the first three options could be arranged through existing resources/contracts the latter option would require a procurement competition.

6. The SPCB's procurement rules require that for a contract value of less than £5,000 an invitation to quote exercise would be required. This would involve inviting a minimum of 3 potential service providers to quote for the work. The timeframe for completing this type of exercise would be less than 4 weeks and the work involved would include:

- producing a specification of the requirement;
- inviting quotes from potential bidders (minimum of 3 providers);
- evaluating quotes;
- awarding the contract.

Resource Implications

7. Under the first three options this requirement could be met from within existing resources. However, for the latter option a bid would have to be made to the current contingency fund as it would be classed as a new funding requirement. Staffing resources could be provided by the Human Resources Office or the Office of the Solicitor to the Scottish Parliament to undertake this work. The SPCB may also wish to consider nominating a member of the SPCB to assist with drawing up the specification for the requirement.

Governance issues

8. An Equalities Impact Assessment has been conducted. Given that the SPCB's procurement rules have been equality proofed it means that assurances can be given that equality groups would not be inadvertently discriminated against when appointing the preferred pension adviser.

9. There are no other governance issues.

Publication Scheme

10. This paper can be published under the SPCB's Publication Scheme.

Next steps

11. The next steps would be:

- for the SPCB to specify its requirement;
- for parliamentary officials to put in place the necessary arrangements;
- if applicable, make a bid for funds from the contingency fund.

Decision

12. To ask the SPCB to:

- decide its preferred option for delivering this requirement;
- if applicable, nominate a member of the SPCB to assist with drawing up the specification for this work.

Human Resources Office
May 2012