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Award

## **Pension Fund Independent Performance Measurement**

Staffordshire County Council

UK5: Transparency notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-079551

Procurement identifier (OCID): ocds-h6vhtk-05ee65 ([view related notices](#))

Published 4 December 2025, 8:30am

### **Scope**

### **Reference**

IA3772

### **Description**

To provide monthly independent performance measurement reporting for all asset classes invested in by the Staffordshire Pension Fund.

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### **Contract 1. Pension Fund Independent Performance Measurement**

## **Supplier**

- NORTHERN TRUST COMPANY (THE)

## **Contract value**

- £234,000 excluding VAT
- £234,000 including VAT

Above the relevant threshold

## **Earliest date the contract will be signed**

2 February 2026

## **Contract dates (estimated)**

- 1 April 2026 to 31 March 2028
- Possible extension to 31 March 2032
- 6 years

Description of possible extension:

At the authorities discretion the term of the contract may be extended by a 2 + 1 + 1 term to a final contract end date of 31st March 2032

## **Main procurement category**

Services

## **CPV classifications**

- 66131100 - Pension investment services
- 66523000 - Pension fund consultancy services

## **Contract locations**

- UKG2 - Shropshire and Staffordshire

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## **Other information**

### **Description of risks to contract performance**

#### Local Government Re-organisation

- 1.1 In December 2024 the Government issued a White Paper on Local Government Re-Organisation entitled the "English Devolution White Paper".
- 1.2 In March 2025 Staffordshire County Council submitted their suggested re-organisation plan to the Government and are awaiting a response.
- 1.3 Final proposals will be submitted in November 2025 and implementation of the changes is expected by Government to be by 2028 at the earliest.
- 1.4 Whilst the expected impact of most changes to Local Government will be settled at Government Level (Change in Law) please be aware that it may be government policy or expedient that any affected party will be recommended to agree bi-lateral or multi-lateral changes to their existing contractual arrangements.
- 1.5 Updates on proposals and changes can be found on the Staffordshire County Council Website and at other media outlets

The parties agree that in the event of a Local Government Re-organisation: -

- 2.1 that reorganisation of local authorities may result in the transfer assignment or novation of this Agreement in whole or in part to a successor authority or successor

authorities. Such transfer assignment or novation shall not constitute a breach or require consent and the [contracting party] consents to the transfer assignment or novation of this Agreement in whole or in parts to any successor authority(ies) established under the local government reorganisation legislation and that as a consequence the obligations and rights under this Agreement shall continue to apply and be enforceable by or against any successor authority(ies) following a local government reorganisation; and

2.2 the parties acknowledge that if applicable the Transfer of Undertakings (Protection of Employment) Regulations 2006 may apply and agree to comply with all consequential and reasonable obligations arising thereunder

2.3 the parties acknowledge that any new organisation(s) may utilise or create and manage all and any existing or required framework agreements relating to the provision of the services provided under this current agreement

## **Conflicts assessment prepared/revised**

Yes

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## **Procedure**

### **Procedure type**

Direct award

### **Direct award justification**

Additional or repeat goods, services or works - extension or partial replacement

Staffordshire Pension Fund invests into various asset classes in line with its Strategic Asset Allocation. The total market value of assets of the Pension Fund at 30 September 2025 was £8.28bn. Performance measurement plays a major role in ensuring that the Pension Fund is governed properly and is meeting expectations in terms of the returns it generates for the level of risk being taken. Governance is strengthened with an

independent check on the returns generated and reported by investment managers. Use of an independent performance manager ensures that the Pension Fund meets its regulatory obligations.

At present there are two large pieces of legislation which will affect the Staffordshire Pension Fund from 1 April 2026:

- 'Fit for the Future'
- Local Government Reorganisation.

On 14 November 2024, the Pensions Investment Review - Interim Report was announced by the Chancellor in her Mansion House speech (Pensions\_Investment\_Review\_interim\_report.pdf). For the LGPS, this principally involved the intention to direct all assets to be under asset pool management (including legacy private market assets) by 31 March 2026; to ensure all pools are established FCA regulated entities; for pools to equip themselves to be able to provide strategic asset allocation advice to their partner funds as well as making the implementation decisions; and for the administering authority to set out the Fund's ambition for local investments. At the same time the Chancellor also announced a further consultation (Local Government Pension Scheme (England and Wales): Fit for the future - GOV.UK).

On 29 May 2025, the government published their final report on the Pensions Review along with the relevant consultation responses. No changes were made to the original major proposals for the LGPS, and the government outlined its intention to legislate to implement the reforms as part of the upcoming Pension Review Bill. The reforms represent a huge change to the way Staffordshire Pension Fund operates, and the Fund will need to work with LGPS Central and Advisers, where necessary, to implement the reforms in short timescales.

There was also acknowledgement that fiduciary oversight services could be used to help funds to oversee their pools, but that this should be procured as collective groups of funds, in conjunction with their pool. Staffordshire Pension Fund is of the opinion that performance management and monitoring is a key element of its fiduciary duty.

The upshot of the legislation proposed to be in place from 31 March 2026 is that Staffordshire Pension Fund is unsure how long it will need an external performance measurement contract for as this may be provided in some form by LGPS Central. Officers do not expect this to be in place or the procurement planning to be in progress by April 2026 which creates significant uncertainty around the current provision.

A request to keep the same provider would:

- Ensure consistent performance reporting during a period of significant change, without

the additional need for resources and duel running

- Allow resources to be allocated to implement the changes required by the Fit for the Future regulations and not diverted to procure a service that may be provided by LGPS Central Ltd (with no need for procurement) in the coming couple of years.
- Ensure Northern Trust continues to provide an independent pricing policy with valuations that match to Staffordshire Pension Fund management reporting.
- Ensure consistent calculation methodology enabling comparison of the performance of assets, managers and mandates on a like for like basis meeting the Fund's fiduciary duties.
- Provide continuity of service with performance consultants that are part of the relationship management team, who already work closely with key service personnel, and will have a clear overview of the transfer of pooled assets
- Allow access to presentation resources should experts be required to attend meetings and/or provide training.
- Permit NT to day weight contributions and withdrawals in order to arrive at a time weighted return whereas any other provider will need to import data from Northern Trust to provide performance reporting and will likely have to use a weighted average at some point in the calculation. More accurate output will be received from NT with rates of return that can be tied back to the valuation audit, with the valuation audit and the performance audit having been carried out by NT partners that work closely with each other.

To achieve all of the above with another provider would take a considerable resource and time and investment of Pension Fund officers in the short term for a service that may not be required longer term if it is to be provided by the Pool.

The impact of Local Government Reorganisation on the Pension Fund, which is not yet fully understood, also needs to be considered.

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## **Supplier**

### **NORTHERN TRUST COMPANY (THE)**

- Companies House: BR001960
- Public Procurement Organisation Number: PTPD-8566-CYTG

50 Bank Street

Canary Wharf, London

E14 5NT

United Kingdom

Email: [ac802@ntrs.com](mailto:ac802@ntrs.com)

Website: <http://www.northerntrust.com>

Region: UKI42 - Tower Hamlets

Small or medium-sized enterprise (SME): No

Voluntary, community or social enterprise (VCSE): No

Contract 1. Pension Fund Independent Performance Measurement

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## Contracting authority

### Staffordshire County Council

- Public Procurement Organisation Number: PZDG-2995-QQMD

1 Staffordshire Place, Tipping Street,

Stafford

ST16 2DH

United Kingdom

Email: [laura.kendall@staffordshire.gov.uk](mailto:laura.kendall@staffordshire.gov.uk)

Website: <https://www.staffordshire.gov.uk>

Region: UKG24 - Staffordshire CC

Organisation type: Public authority - sub-central government