

Pension Fund Investment Sub-Committee

11th September 2017

Actuarial Services

Recommendation

The Sub-Committee approves a tendering exercise for actuarial services through the LGPS National Framework, and considers if the appointment should be subject to interview by the Sub-Committee.

1. Background

- 1.1 The fund actuary is a key relationship for the pension fund. The statutory completion of the triennial Actuarial Valuation exercise underpins the future direction of the fund in regard to contribution rates, funding strategy and long term strategic asset allocation. The actuary also undertakes many supplementary functions such as admission agreements, advice to stakeholders, accounting reports and risk management.
- 1.2 Hymans Robertson were appointed in October 2011 following a full tender process following a long relationship with Mercer. The fund now needs to re-tender for this work for the forthcoming 2019 and 2022 actuarial valuations.
- 1.3 Since the tender exercise in 1.2 the National LGPS Framework has been introduced which provides LGPS funds with a streamlined tender process that gives each fund the access to the best providers whilst ensuring value for money. An information pack on the framework can be found as background papers for this report.
- 1.4 The framework costs £3,000 to join however it is expected that the savings from not needing to run a full OJEU tender process and preferential rates on the framework will more than offset this cost.

2. Specification of Requirements

- 2.1 A specification of the services required by the fund actuary can be found at **Appendix A**.

3. Next Steps

- 3.1 Officers have begun the process to tender through the framework. There are currently four providers on the framework who are all experienced with the LGPS and were subject to a substantial procurement process.
- 3.2 The four providers are:
- AON Hewitt
 - Barnet Waddingham
 - Hymans Robertson
 - Mercer
- 3.3 Officers will need to run a further competition to assess suitability as it is important that fund has the opportunity to customise any particular requirements.
- 3.4 Following the further competition officers will recommend the preferred choice to the sub-committee for approval and appointment. Alternatively the sub-committee may wish to hold final interviews before an appointment is made.

Background Papers

National LGPS Framework Documents

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