



Pension Board
13 December 2016

**Report from the Chief Finance
Officer**

For Information Purposes

Wards affected:
ALL

Actuarial Contract Re-procurement

1.0 Summary

- 1.1 The purpose of this report is to note that the actuarial contract is reaching the end of the contract. The Pension Fund Sub-Committee have agreed to extend it past year end to prevent any potential conflict and to have a full procurement process that results in a 3 year contract that does not end during the Triennial Review in future years.

2.0 Recommendations

- 2.1 To note the report.

3.0 Detail

- 3.1 The actuarial contract ends in April 2017. This conflicts with the Triennial Review process. The contract currently covers the actuarial contract for the valuations and advice on various decisions.
- 3.2 The approximate value of the base contract is £600k for 3.5 years and therefore above the limit, through which a report must be taken to the Sub-Committee.
- 3.3 Officers intend to have a robust full procurement process that ensures the Pension Fund achieves a high quality but value for money service for the following three years.
- 3.4 The procurement process has already started with identifying the appropriate framework contract that is OJEU compliant and is most appropriate for achieving the intended result. The National LGPS Frameworks, managed through Norfolk, is the preferred option currently due to the quality of its

framework documents. Finance has consulted with Procurement on the appropriate process and actions required. However, the framework option has not been finalized and any changes would automatically come back to committee.

- 3.5 The timing of the procurement process has not been well-regarded by officers, who would prefer that it took place after the Triennial Review and end of year accounts, so that any potential conflict of interest was removed. It also adds significant amounts of additional work at a time when their focus needs to be on the aforementioned items.
- 3.6 Therefore, officers have proposed having a contract that ends on September 30th, 2020 to prevent any conflict with the next Triennial Review.
- 3.7 Ensuring that the procurement process of the actuarial contract is compliant with regulation and follows due process is the function of the Pensions Board.
- 3.8 Officers will review the potential for having an extension within the contract for an additional 3 years.

4.0 Financial Implications

- 4.1 The value of the contract is anticipated to be approximately £600k but the precise amount is subject to requests for professional advice.

5.0 Legal Implications

- 5.1 The National LGPS framework is compliant with OJEU and LGPS regulations. As the amount is over the OJEU level, there is a requirement to use either an OJEU compliant framework or undertake a full OJEU process by the administering authority. This might take a year.

6.0 Diversity Implications

- 6.1 Not Applicable

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 Not Applicable

Background Papers

Contact Officers

Persons wishing to discuss the above should contact Gareth Robinson, Investment and Pensions Section, Finance, on 020 8937 6567, gareth.robinson@brent.gov.uk at Brent Civic Centre

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