



London Borough of Enfield

Report Title	Appointment of Actuary
Report to	Pension Board
Date of Meeting	13 March 2024
Cabinet Member	Cllr Tim Leaver
Executive Director / Director	Fay Hammond
Report Author	Ravi Lakhani (Head of Pension Investments). Ravi.Lakhani@enfield.gov.uk
Classification	Part 1

Purpose of Report

1. This report outlines the outcome of a tender exercise to select an Actuary and Benefits Consultancy advisor for the Enfield Pension Fund 'Fund'.

Recommendations

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| <ol style="list-style-type: none">I. Approve the appointment of Hymans Robertson as the Actuary and benefits consultancy Advisor for the Fund. |
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Background and Options

2. All administering authorities for Local Government Pension Funds are required to appoint a number of service providers in order for the Fund to carry out its functions as an administering authority under the Local Government Pension Scheme regulations. (The Administering authority for the Fund is Enfield Council)
3. **Actuarial services** include the provision of a number of key technical services for the fund including: the triennial valuation of the fund; the calculation of employer contribution rates; carrying out opening evaluations for new scheme employers; closing valuations for existing scheme employers; and ad hoc advice and guidance.

4. The Fund's current actuary is Aon Hewitt. The contract with Aon Hewitt has been in place since 1 April 2016. The contract was originally for 5 years, and 3 extensions were granted to the original contract (allowable) under the terms and conditions.
5. Procurement exercises are the method that the council uses to ensure that value for money is maintained when seeking supplies and services contracts from third parties. Therefore, officers for the Council carried out a procurement exercise for this purpose.
6. The procurement exercise was carried out using the National LGPS Framework for Actuarial, benefits & Governance Consultancy Services, managed by Norfolk County Council. The benefits of using a framework agreement for the Fund are that it can reduce procurement time and cost because the framework has already been through a competitive tender and public contracts regulation 2015 compliant procurement process. The Fund is then able to call off the available frameworks for services without having to undertake full procurements by running mini competitions for actuarial services.
7. The procurement exercise was carried out for 2 lots as follows:
 - Lot 1 – Actuarial Services
 - Lot 2 – Benefits Consultancy
8. There were 4 suppliers of Actuarial and Benefits consultancy on this framework:
 - Aon Solutions UK limited
 - Barnett Waddingham LLP
 - Hymans Robertson LLP
 - Mercer Limited.
9. The procurement exercise took the form of a mini competition. Each actuary was required to submit their responses to the questions outlined in the invitation to further competition document. Each submission was assessed against the evaluation criteria set out below.

Lot	Criteria	Weighting
Actuarial Services	Quality	80%
	Price	20%
Benefits Consultancy	Quality	80%
	Price	20%

10. The quality criteria considered some of the following:
 - Understanding the Enfield Pension Fund
 - Managing Risks
 - Knowledge, Skills & Experience
 - Reporting
 - Transition
 - Through Leadership in the LGPS
 - Online Functionality

11. Responses were received from three providers on the framework. All elements of the responses were evaluated by a panel of pension fund offices. The panel with support from a procurement officer then proceeded to moderate their scores. Each element of the scoring was then combined to determine an overall score for each provider.
12. The duration of the contract is to be for an initial period of 5 years with the potential to extend for a further 2 year subject to satisfactory performance.
13. Under the terms of reference for the Pension Board the Board shall:
 - (a) Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.

Preferred Option and Reasons For Preferred Option

14. Following the mini competition Hymans Robertson received the highest score for Lot 1 – Actuarial Services and lot 2 – Benefits Consultancy. On this basis **Hymans Robertson LLP** are awarded the contract to provide both Actuarial Services and Benefits Consultancy.
15. The contract will run from 1 February 2024 for a period of 5 years.

Financial Implications

16. The estimated cost of Actuarial services is expected to be £80-£120k per annum. The cost of the benefits consultancy contract is expected to be £10k-£20k per annum.
17. The exact costs will depend on the level and volume of work likely to be requested by the fund. The cost will be funded by the pension fund.

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Appendices

None

Background Papers

None