

ACTUARIAL SERVICES CONTRACT REVIEW

Report of the County Treasurer

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect.

Recommendation: That the Committee note the result of the tender evaluation process to award a new contract for the provision of actuarial services to the Devon Pension Fund.

1. Introduction

- 1.1. The Devon Pension Fund's current contract for the provision of actuarial services is due to expire in February 2018. The main function of the Fund Actuary is to carry out the statutory triennial actuarial valuation of the Pension Fund. The actuarial valuation sets out the Fund's assets and liabilities, based on a set of actuarial assumptions, and reviews the financial position of the Fund. It also sets the contribution rates for each employer in the Fund for the following three years.
- 1.2. In addition to the triennial valuation, the Actuary also carries out accounting valuations for the Fund and the Fund's constituent employers on an annual basis. If an employer ceases to have active members in the Fund the Actuary will carry out a closure valuation to calculate an exit payment for the employer to ensure all their future liabilities are covered. The Actuary will also advise on the content of the Funding Strategy Statement, and carry out employer risk assessments, cash flow analyses and assessments of the cost of pension arrangements for any new admitted bodies resulting from Councils outsourcing services.
- 1.3. At the June meeting of the Investment and Pension Fund Committee it was agreed to use the National LGPS Framework Agreement to secure a new contract for Actuarial Services, and that the appointment process and final decisions be delegated to the County Treasurer in consultation with the Chairman.

2. The Evaluation Process

- 2.1. Four providers under the National LGPS Framework were invited to participate in a mini-competition exercise, in accordance with the framework agreement. The specification for the mini-competition specified that submissions would be judged 40% on quality, 40% on service fit and 20% on price.
- 2.2. Each submission was independently evaluated and awarded scores for quality by an evaluation panel comprising the Chairman and officers. Providers were then invited to attend County Hall on 10th November to deliver a presentation on service fit, to be evaluated by the panel.

3. Conclusion

- 3.1. The results of the tender evaluation will be reported orally to the Committee at the meeting, and the committee will be asked to note the intention to appoint the provider with the highest score from the evaluation. A new contract will be awarded for a 6 year period up to February 2024.

Mary Davis

Electoral Divisions: All

Local Government Act 1972

List of Background Papers - Nil

Contact for Enquiries: Mark Gayler

Tel No: (01392) 383621 Room G97