

SUPPLEMENTARY AGENDA

PENSIONS COMMITTEE AND BOARD

Tuesday, 12th July, 2022, 7.00 pm - 40 Cumberland Road, Wood Green N22 7SG

Members: Councillors Yvonne Say (Chair), John Bevan (Vice-Chair), da Costa, Hymas, Thayahlan Iyngkaran, and Matt White.

Co-optees/Non Voting Members: Ishmael Owarish, Keith Brown, Randy Plowright, Pattinson, Raisin (Independent Adviser) (Advisor), Goddard (Mercer) (Advisor) and Turner (Mercer) (Advisor).

Quorum: 3

7. MINUTES (PAGES 1 - 6)

To note the minutes of the informal Pensions Committee and Board meeting held on 15 March 2022.

To confirm and sign the minutes of the Pensions Committee and Board meeting held on 27 April 2022 as a correct record.

13. PENSION FUND ADMINISTRATION SYSTEM CONTRACT AWARD (PAGES 7 - 12)

This report requests approval to award a contract for the pensions administration system for 7 years (with the option to extend for up to 3 years) from 1 August 2022. The contract award is proposed to be done following a further competition exercise conducted under a framework agreement set up by the National LGPS Frameworks, which operates out of Norfolk County Council.

18. PENSION FUND ADMINISTRATION SYSTEM CONTRACT AWARD (PAGES 13 - 14)

As per item 13.

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Fiona Alderman
Head of Legal & Governance (Monitoring Officer)
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Thursday, 07 July 2022

MINUTES OF THE PENSIONS COMMITTEE AND BOARD MEETING HELD ON WEDNESDAY, 27TH APRIL, 2022, 6.00 - 6.35 PM

PRESENT: Councillor Yvonne Say (Chair), Councillor Eldridge Culverwell (Vice-Chair), Councillor Dana Carlin, Councillor Viv Ross, Councillor Paul Dennison, Ishmael Owarish, Craig Pattinson, and Keith Brown.

1. FILMING AT MEETINGS

The Chair referred to the notice of filming at meetings and this information was noted.

2. APOLOGIES

Apologies for absence were received from Thomas Skeen, Randy Plowright, Alex Goddard (Mercer), Steve Turner (Mercer), and John Raisin (Independent Advisor).

3. URGENT BUSINESS

There were no items of urgent business

ORDER OF BUSINESS

The Chair proposed to bring forward the decision-making items on the agenda, items 10 and 14. This was agreed by the Pensions Committee and Board. The order of business was amended to take items 1-7, followed by item 10, then item 14, before returning to the advertised order of business.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS

There were no deputations, petitions, presentations, or questions.

6. RECORD OF TRAINING UNDERTAKEN SINCE LAST MEETING

There had been no training since the last meeting.

7. MINUTES

RESOLVED

To confirm and sign the minutes of the Pensions Committee and Board meeting held on 2 December 2021 as a correct record.

8. PENSION ADMINISTRATION REPORT

The Head of Pensions & Treasury introduced the report that provided an update on the following Pension Fund's administration activities:

- Membership update;
- Resourcing of the pensions administration team;
- Pensions administration software procurement;
- Pensions administration service performance in 2021; and
- Update on McCloud remedy activities.

RESOLVED

To note this report and the information provided regarding the Pension Fund's administration activities.

9. PENSION FUND QUARTERLY INVESTMENT AND PERFORMANCE UPDATE

The Head of Pensions & Treasury introduced the report that provided the following updates for the quarter ended 31 December 2021:

- Independent advisor's market commentary;
- Investment asset allocation;
- Investment performance;
- Funding position update;
- London Collective Investment Vehicle (LCIV) update; and
- External audit update.

RESOLVED

To note the information provided in section 6 of the report in respect of the activity for the quarter ended 31 December 2021.

10. UPDATED CIPFA GUIDANCE AND HARINGEY TRAINING POLICY

The Head of Pensions & Treasury highlighted that members had been informally updated on this agenda item at the inquorate meeting on 15 March 2022. He reviewed what had been discussed at this meeting outlining:

- The details of the changes that the Chartered Institute of Public Finance Accountants (CIPFA) had made to its pensions, knowledge, and skills guidance;

- Presentation of the revised training policy for members of the Pensions Committee and Board and Senior Fund Officers. This was pertinent due to the forthcoming local elections, that would result in new members joining the Committee. The policy outlined how a training programme would be developed for new and existing members of the Pensions Committee and Board.

RESOLVED

1. To note the Independent Advisor's papers, appended as Appendix 1 and Appendix 2 to this report, and the advice contained therein.
2. To approve the adoption of the CIPFA 2021 Code of Practice on Local Government Pension Scheme (LGPS) Knowledge and Skills as outlined in Appendix 1 to this report. The adoption of this 2021 Code of Practice will be applicable to Pensions Committee and Board Members, and Senior Fund Officers.
3. To approve the Training Policy for Pension Committee and Board Members, and Senior Fund Officers of March 2022 (attached as Appendix 2 to this report).

11. LOCAL AUTHORITY PENSION FUND FORUM (LAPFF) VOTING UPDATE

The Head of Pensions & Treasury stated that the report provided an update the Local Authority Pension Fund Forum's (LAPFF) engagement and voting activities on behalf of the Pension Fund.

RESOLVED

To note the information provided in section 6 of the report in respect of the activity for the quarter ended 31 December 2021.

12. RISK REGISTER

The Head of Pensions & Treasury gave an update on the Pension Fund's risk register.

This paper provides an update on the Pension Fund's risk register and an opportunity for the Committee and Board to further review the risk score allocation. The following was highlighted. The risk register focused on investment risk which looked at high inflationary risk and increasing geopolitical risk.

RESOLVED

To note the Pension Fund's risk register.

13. FORWARD PLAN

The Head of Pensions & Treasury introduced the forward plan illustrating that it aimed to identify topics that would arise in the next twelve months at subsequent committee meetings.

RESOLVED

To note the forward plan.

14. PROPERTY PORTFOLIO REVIEW

The Head of Pensions & Treasury highlighted that members had been informally updated on this agenda item at the inquorate meeting on 15 March 2022. He reviewed what had been discussed at this meeting outlining:

- The Pension Fund currently had an underweight position to its property allocation. The Pensions Committee and Board was presented with various options to address this. The following options were:
 - o Agree a top-up with Aviva Lime Property Fund of £30 million; and
 - o Update the Pension Fund's strategic asset allocation within the Investment Strategy Statement as outlined in the report.

RESOLVED

1. To note Mercer's Review of Property Portfolio Paper, appended as Confidential Appendix 1, and the advice contained therein.
2. To agree that the Pension Fund commits to invest an additional £30 million to the Aviva Lime Property Fund.
3. To approve a change to the Pension Fund's strategic asset allocation within the Investment Strategy Statement, as shown in Confidential Appendix 1, namely to:
 - i. Reduce the allocation to Core Property (managed by CBRE), from 7.5% to 6.5%.
 - ii. Reduce the allocation to Core Property (managed by CBRE), from 7.5% to 6.5%.
4. To delegate authority to the Assistant Director of Finance (Deputy S151 Officer) to implement the above changes (if approved), after consultation with the Chair of Pensions Committee and Board. This will include determining whether to make a commitment to the Long Lease Property strategy through the 'queue', or whether to seek to purchase units in the fund on the secondary market. This will be done after taking proper advice from the Pension Fund's investment consultant.
5. To delegate authority to the Assistant Director of Finance to update and republish the Pension Fund's Investment Strategy Statement (ISS) to be consistent with the decisions made above.

15. NEW ITEMS OF URGENT BUSINESS

There were no items of urgent business.

16. DATES OF FUTURE MEETINGS

It was noted that the (provisional) dates of future meetings were:

Tuesday, 12 July 2022

Monday, 12 September 2022

Tuesday, 22 November 2022

Monday, 23 January 2023

Tuesday, 21 March 2023

17. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting for consideration of items 18-21 as they contained exempt information as defined in Section 100a of the Local Government Act 1972 (as amended by Section 12A of the Local Government Act 1985); paras 3 and 5; namely information relating to the financial or business affairs of any particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

18. PENSION FUND QUARTERLY UPDATE AND INVESTMENTS UPDATE

The Pensions Committee and Board considered the exempt information.

A member noted that information in reports and appendices could be presented differently for clarity. The Head of Pensions & Treasury agreed to liaise with the member about possible amendments.

19. PROPERTY PORTFOLIO REVIEW

The Pensions Committee and Board considered the exempt information.

20. EXEMPT MINUTES

RESOLVED

To confirm and sign the exempt minutes of the Pensions Committee and Board meeting on 2 December 2021 as a correct record.

21. NEW ITEMS OF EXEMPT URGENT BUSINESS

There were no new items of exempt urgent business.

CHAIR: Councillor Yvonne Say

Signed by Chair

Date

LATE BUSINESS SHEET

Report Title: Agenda Items 13 and 18 – Pension Fund Administration System Contract Award

Committee: Pensions Committee and Board

Date: 12 July 2022

Reason for lateness and reason for consideration

Under s100B(4)(b) of the Local Government Act 1972, the Chair of the meeting is of the opinion that the report should be considered at the meeting as a matter of urgency by reason of special circumstances. These circumstances are that the current contract for the pensions administration system is due to expire on 31 July 2022. Due to the tight schedule that was required in order to properly undertake the procurement exercise, the report was not available at the time of agenda publication. It is requested that the report be considered by the Pensions Committee and Board at its meeting on 12 July 2022 to ensure that contractual arrangements are in place when the existing contract expires. This was agreed by the Chair on 6 July 2022.

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Report for: Pensions Committee and Board – 12 July 2022

Title: Pensions Administration System Contract Award

Report authorised by: Thomas Skeen, Assistant Director of Finance (Deputy S151 Officer)

Lead Officer: Tim Mpofu, Head of Pensions and Treasury,
tim.mpofu@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key Decision

1. Describe the issue under consideration

- 1.1. In order for Haringey Council to carry out its functions as an Administering Authority under the Local Government Pension Scheme (LGPS), the Council uses an IT system called 'Altair' provided by an external contractor, Heywood Pensions Technologies.
- 1.2. The current contract for the pensions administration system is due to expire on 31 July 2022.
- 1.3. This report seeks approval to enter into a new call-off contract with a pensions administration software provider under Contract Standing Order (CSO) 3.01 and 3.03, for the provision of a pensions administration system as permitted on National LGPS Framework and in accordance with CSO 7.01.b (selecting one or more suppliers from a framework). The contract will be for a period of 7 years with an option to extend by another 3 years.

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

The Pensions Committee and Board is asked:

- 3.1. Pursuant to the Council's Contract Standing Orders (CSO) 3.01. & 3.03, to award the contract for the provision of pensions administration system to Bidder A (as set out in the exempt report) for a period of 7 years with an option to extend by a further 3 years for a maximum contract sum of £2,294,310 excluding VAT.

- 3.2. Pursuant to CSO 9.07.3, to agree to issuing an Intention to Contract letter to Bidder A (as set out in the exempt report) for up to the amount of £100,000 pending completion of the contract award.

4. Reason for Decision

- 4.1. The existing contract for the pensions administration system expires on 31 July 2022.
- 4.2. The Council is the Administering Authority for the Haringey Local Government Pension Scheme (LGPS), which has approximately 23,000 members and 115 different employers. Having a contract in place for a pensions administration system is necessary in order for the Council to fulfil its various duties as an LGPS Administering Authority. Modern ways of working mean that maintaining a specific IT package for the pensions administration team is crucial for business delivery.
- 4.3. Without a pensions administration system in place, the Council would not be able to carry out core statutory functions of pensions administration, such as issuing annual benefit statements, and ensuring that new retirees receive the correct benefit payments when they retire.
- 4.4. In order to ensure continuity of access to the necessary software, officers from the Pensions Team, in conjunction with colleagues from Procurement, have conducted a further competition under the National LGPS Framework for the Pensions Administration Software.
- 4.5. The Framework has three providers, all of whom were invited to tender. In the end, the Council received two individual bids from two of the service providers.
- 4.6. The technical evaluation of the tenders was undertaken independently by the Interim Pensions Manager and the Senior Pensions Officer, and the scores awarded to each supplier submitted to the Procurement Team for moderation.
- 4.7. Following a moderation meeting between the two officers and the Procurement Team, final scores (including the price evaluation) were agreed. These are shown in table 1 (in the exempt report).
- 4.8. Following an evaluation of the bids submitted by both service providers, officers agreed that the bid submitted by Bidder A ranked the highest and met all Pension Fund's administration requirements.
- 4.9. The assessment carried out by officers determined that Bidder A's offer best suited the needs of the Pension Fund for some of the following reasons:
- Ongoing development of existing and new products, particularly with "McCloud" implementation expected in the foreseeable future

- Online training tools for LGPS authorities' pensions staff to stay up to date with latest regulatory changes
- Value for money based on the number of services and support provided to LGPS funds

4.10. This information is contained in the exempt report.

4.11. The contract costs are £2.3 million over 7 years. This includes the cost of using the National LGPS Framework for Pensions Administration Services (£9,600).

5. Other options considered

5.1. Open Tender: The option to undertake an open tender process was considered. However, it was deemed that the level of Council resources required to complete an open tender was not justified when a suitable framework agreement was available.

6. Background information

6.1. All costs of the contract will be met fully by the pension fund, i.e., there will be no direct cost implications for the Council.

7. Contribution to Strategic Outcomes

7.1. None.

8. Statutory Officer Comments (Director of Finance (including procurement), Head of Legal and Governance, Equalities)

Finance

8.1. The Section 151 officer has been consulted over the contents of the report and confirms that the annual costs can be legitimately charged to the pension fund.

Procurement

8.2. The recommendation to award the contract to the successful bidder in accordance with CSO 7.01b is supported by Strategic Procurement following a compliant procurement conducted under National LGPS Framework.

Legal

8.3. The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of this report.

8.4. The services are above the threshold where one of the tendering procedures set out in the Public Contracts Regulations 2015 (the Regulations) apply. Use of a framework agreement for tendering is an approved process under the Regulations (Reg 33).

8.5. The Head of Legal and Governance (Monitoring Officer) has been advised that the procurement under the Framework Agreement has been conducted in accordance with the Regulations, the Council's Contract Standing Orders (CSOs) and the rules governing the Framework Agreement.

8.6. Under CSO 3.03 the Pensions Committee and Board has the same powers and duties as Cabinet under CSOs but limited to procurement decisions and award of contracts relating to the Pension Fund.

8.7. Under CSO 9.07.1 (d) Cabinet (and by extension the Pensions Committee and Board) may approve contract awards valued at £500,000 and above.

8.8. The Head of Legal and Governance (Monitoring Officer) confirms that there are no legal reasons preventing the Pensions Committee and Board from approving the recommendations in the report.

Equalities

8.9. There are no equalities issues arising from this report.

9. Use of Appendices

9.1. None.

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is exempt

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