



Haringey Council

Pensions Committee

On 29 January 2008

Report title: Tendering of the investment advice and actuarial advice contracts

Report of: Chief Financial Officer

Ward(s) affected: All

Report for: Non Key Decision

1. Purpose

1.1 To report progress made in tendering the investment advice and actuarial advice contracts and to seek approval for a further extension of the current contract with Hymans Robertson.

2. Recommendations

2.1 That progress to date be noted.

2.2 That the current contract with Hymans Robertson be extended by a further two months, from 1 June 2008 to 31 July 2008.

Report authorised by: Gerald Almeroth – Chief Financial Officer

**Contact officer: John Hardy, Head of Finance-Budgeting, Projects & Treasury
(tel no: 020 8489 3726)**

3. Executive Summary

3.1 This report sets out the timetable being worked to for tendering both contracts in accordance with the EU procurement process as we now anticipate that over a three year period costs will exceed the OJEU limit of £139,893.

3.2 It is necessary to extend the current contract by two months because it will take longer than anticipated to tender the contracts.

4. Reasons for any change in policy or for new policy development (if applicable)

No changes are proposed.

5. Local Government (Access to Information) Act 1985

5.1 The following background papers were used in the preparation of this report:

5.1.1 Previous reports to Pensions Committee regarding the tendering of investment advice and actuarial advice contracts.

5.2 This report contains exempt and non-exempt information. Exempt information is contained in Appendix A and is not for publication. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972:

(3) information relating to the financial or business affairs of any particular person (including the authority holding that information).

6. Report

6.1 Pensions Panel on 26 March 2007 agreed that the provision of the actuarial and investment services contract be tendered from 1 June 2008 as two separate contracts to provide market testing and greater transparency.

6.2 Work is in hand to tender these two contracts via the EU procurement process as we now anticipate that costs over a three year contract term will exceed the £139,893 OJEU limit taking account of work that is recharged to admitted and scheduled bodies.

6.3 It is necessary to do a short extension to the current contract with Hymans Robertson because it will take a little longer than anticipated to tender the new contracts. We have been reviewing the specifications and checking these against other London Borough's. The proposed period of extension is as set out in Appendix A, para. A.1.

6.4 It is estimated that, in the extension period, if approved, the amounts set out in Appendix A, para. A.2 would be incurred. Existing terms of the current contract with Hymans Robertson will apply.

6.5 Costs incurred under the existing contract are charged to the Pension Fund.

6.6 The main dates regarding tendering of the contracts are as set out in Appendix A, para. 3. and these will necessitate a special meeting of this Committee to award each contract.

7. Comments of the Head of Legal Services

7.1 This report is seeking to have the current actuarial and investment advice contract with Hymans Robertson varied by extending it for two months.

7.2 Under the Pension Committee's Terms of Reference set out in the Council's Constitution at Part Three, Section C, paragraph 9, the Committee performs the functions of the Administering Authority under Pensions legislation. Sub-paragraph 9(b)(i) expressly confers on the Committee responsibility for management and monitoring of the Pension Fund including, amongst other things, the selection and appointment of specialist external advisors to the Fund, as necessary. This responsibility, by necessary implication, includes the power to authorise the variation and extension of specialist advisers' contracts, including the current contract with Hymans Robertson.

7.3 Legal Services should be consulted on the exact terms of the contract extending the current contract.

7.4 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in paragraph 2 of the report.