

Pension Fund Committee

Meeting to be held on 5 September 2014

Electoral Division affected: None

Extension of Contract for Actuarial Services

Contact for further information:

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Executive Summary

At its meeting of 15 July 2011 the Committee noted the conclusion of the process for procuring actuarial services to the Lancashire County Pension Fund and the appointment of Mercers as the Fund Actuary for a period of three years with the option to extend for a further three years. The current contract runs from October 2011 to September 2014 with the option to extend to September 2017.

Recommendation

The Committee is asked to note the extension of the current contract for a further three years to September 2017.

Background and Advice

At its meeting of 15 July 2011 the Committee noted the conclusion of the process for procuring actuarial services to the Lancashire County Pension Fund and the appointment of Mercers as the Fund Actuary for a period of three years with the option to extend for a further three years. The current contract runs from October 2011 to September 2014 with an option to extend to September 2017.

A joint procurement process, approved by the pension Fund Committee, had been undertaken with the Cumbria and Merseyside Funds and this led to the appointment of Mercers as the Actuary for all three Funds. In considering the option to extend the contract for a further three years Officers have consulted the Merseyside and Cumbria Funds who have both invoked the option to extend.

The extension of this contract for a further three years will enable the Fund to continue working with the Actuary beyond the completion of the next scheduled actuarial valuation which is due as at 31 March 2016. Continuity and consistency are key drivers for the extension of this contract as any change in actuarial assumptions could have an unexpected and potentially volatile impact on the financial position of the Fund going forward. A further procurement process will need to be undertaken when the current contract expires following the three year extension to September 2017.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Continuity and consistency are key drivers for the extension of this contract as any change in actuarial assumptions could have an unexpected and potentially volatile impact on the financial position of the Fund going forward. A further procurement process will need to be undertaken when the current contract expires following the three year extension to September 2017.

Financial

The three year extension of this contract will provide cost certainty over this period

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A