

WIRRAL COUNCIL

PENSION COMMITTEE

23 JANUARY 2017

SUBJECT:	PENSION ADMINISTRATION SYSTEM
WARD/S AFFECTED:	ALL
REPORT OF:	MANAGING DIRECTOR FOR DELIVERY
RESPONSIBLE PORTFOLIO HOLDER:	
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to inform Members of the procurement of a pension administration system under delegated authority, by the Director of Pensions.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The procurement for a Pension Administration and Pensioner Payroll system was last awarded as a five year contract from 1 January 2010 to 31 December 2014. The contract was awarded to Heywood.
- 2.2 In September 2012, the Fund exercised the option to extend the contract for a further two years, from December 2014 to 31 December 2016.
- 2.3 The longitudinal nature of pension provision requires an administration system that can support the legislative changes, protections and historical benefit calculations of the LGPS; an experienced supplier is also essential to support the ongoing operational activities of the Fund.
- 2.4 In recent years, Heywood has demonstrated their heritage and knowledge by implementing legislative change in a timely and comprehensive way. They continue to take a proactive approach to development, working with funds, the LGA, DCLG and HMRC in meeting legislative requirements.
- 2.5 Funds are encouraged, where appropriate, to make use of framework agreements in order to obtain value for money.

- 2.6 Northumberland County Council (NCC) established a framework agreement as part of a major procurement exercise that was completed according to EU and other procurement legislation. There was one company that responded to the tender following a successful evaluation and NCC appointed Heywood as the single supplier.
- 2.7 Fund officers worked with legal and corporate procurement colleagues in ensuring the suitability of the NCC framework agreement.
- 2.8 Commercial arrangements were confirmed with Heywood for the period 1 January 2017 to 31 December 2021.
- 2.9 The call-off contract under the framework agreement was mutually agreed and sealed/signed on 19 December 2016.

3.0 RELEVANT RISKS

- 3.1 A reliable and proven Pensions Administration system is essential for the Fund to discharge its statutory duties.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 An options appraisal was carried out by Fund officers and Corporate Procurement to ensure value for money and other considerations in identifying the NCC framework agreement as the most appropriate route to market.

5.0 CONSULTATION

- 5.1 Not relevant for this report

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 6.1 None associated with the subject matter.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 There are none arising from this report

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 8.1 Commercial arrangements with Heywood will continue as pertaining to the previously awarded contract.

- 8.2 In financial terms, the sum for the contract period is not expected to exceed £1,600,000

9.0 LEGAL IMPLICATIONS

- 9.1 There are none arising from this report

10.0 EQUALITIES IMPLICATIONS

- 10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

None required

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

- 11.1 There are none arising from this report

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 12.1 There are none arising from this report

13.0 RECOMMENDATION

- 13.1 That Members note the procurement of the Heywood Altair System for a period of five years, via a call-off contract from the Northumberland County Council Framework Agreement, in accordance with EU and other procurement legislation.

14.0 REASON/S FOR RECOMMENDATION/S

- 14.1 Wirral's Contract Procedure Rules require contracts awarded with a total value exceeding £500,000 be reported to elected members.

REPORT AUTHOR

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APPENDIX

BACKGROUND PAPERS/REFERENCE MATERIAL

BRIEFING NOTES HISTORY

Briefing Note	Date