


National LGPS Frameworks

Implementing a National Procurement Framework



CIPFA Pensions Network Workshop 11/12 July 2012






Overview

- Background and context
- Why frameworks...and why national?
- Process and organisation
- Outcomes and outputs
- Benefits – individual funds
- Benefits – wider LGPS
- What next?








Background and context

Well rehearsed previously...

- Lord Hutton review
- Economic challenges
- Building on other framework initiatives



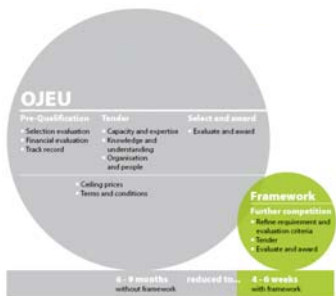
Why frameworks....

- o Proven
- o Efficient
- o Value for money
- o Agreed Terms and Conditions
- o Best practice procurement
- o Shared benefits





Why frameworks....





... and why national?

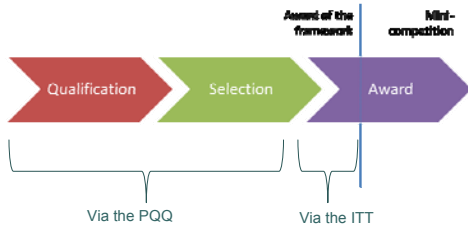
- ...why not?**
- o Greatest potential gain
 - o No obligation to use
 - o Retain local service definition
 - o Retain local decision making and accountability

The National LGPS Framework for Actuarial and Benefit Consultancy Services reduces the time and cost associated with procurement by offering a facility that has already been competitively tendered.

'By LGPS Funds, for LGPS Funds'
 The National LGPS Framework is uniquely open to all LGPS Funds nationally for the procurement of actuarial and benefit consultancy services from a range of qualified providers.



● ● ● Process and organisation
The procurement process



● ● ● Process and organisation
Project organisation

- 7 Founder authorities
- Legal advisors
- Procurement advisors
- Project Management support



● ● ● Process and organisation
Project documentation

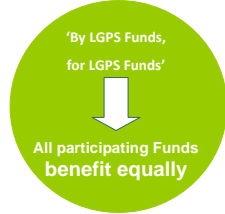
- Proposal
- Plan
- Minutes
- Risk register
- MoU
- Case Study
- Timesheets...

Norfolk Pension Fund; Lincolnshire County Council; LGSS (on behalf of Cambridgeshire and Northamptonshire County Councils); Derbyshire County Council; Buckinghamshire County Council and the London Borough of Croydon have agreed to work together.... (excerpt from Proposal document)

Process and organisation

Project costs

- Shared set up costs
- Income streams
- Running costs
- Surplus



Outcomes and user resources

- Framework for actuarial and benefit consultancy services
- Resources and support for users
- Repeatable process / model for the LGPS

There are 6 service providers on the framework:

Service Provider	Actuarial Services	Benefits Consultancy
AXA Hewitt	✓	✓
Barnett Waddingham	✓	✓
Hyman Rubinstock	✓	✓
KPMG LLP (UK)	✓	✓
Mercer Limited	✓	✓
PricewaterhouseCoopers LLP	✓	✓

More details can be found in the Service Provider Directory at **Appendix 1**, which lists each service provider along with the service or services they offer.

Contracts awarded under the National LGPS Framework can last until 31 December 2020.

The National LGPS Framework commenced on 7 June 2012 and is open for 4 years.

Outcomes and user resources

- Intro pack - overview, access agreement, confidentiality clause etc
- Joiners pack – user guide, supplier catalogue, templates, exemplars
- Website

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Who can use this framework?
The National LGPS Framework is open to all LGPS funds established by the governments of actuarial and benefit consultancy services from a range of qualified providers.

● ● ● Benefits – individual funds

- All framework documentation (T's and C's, user manual, etc)
- Collaborative rebate structure
- Shortened procurement exercise
- Ceiling prices
- Mini competition – downward pressure on prices
- Local service definition; choice
- Added benefits, e.g. user groups

● ● ● Benefits – wider LGPS

- Efficiency
- Consistency
- Sharing of specialist knowledge / resource
- Stronger voice
- True collaboration
- Savings
- Repeatable model

● ● ● What next?

- Investment consultancy
- Custodian
-



● ● ● What next?

Why	√	
Who	?	We need consistency
Where	?	
When	?	Let's not keep
What	?	reinventing the same
How	?	wheels!



● ● ● What next?

National Framework for Actuarial and Benefit Consultancy Services

Official Launch

16 July 2012, 2.30 pm Guildhall, London

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National LGPS
Frameworks

By LGPS Funds, for LGPS Funds
