

**MINUTES OF THE GENERAL PURPOSES COMMITTEE**  
**Monday, 10<sup>th</sup> October 2005 at 7.00 pm**

PRESENT: Councillor John (Chair), Councillor Coughlin (Vice-Chair) and Councillors Kagan, D Long, Lyon, H B Patel and R S Patel

Apologies for absence were submitted on behalf of Councillors R Blackman and R Colwill.

**1. Declarations of Personal and Prejudicial Interests**

None.

**2. Minutes of the Previous Meeting – 6<sup>th</sup> September 2005**

RESOLVED:-

that the minutes of the meeting of the Committee held on 6<sup>th</sup> September 2005 be approved as an accurate record.

**3. Matters Arising**

None.

**4. Deputations**

None.

**5. Authority to Invite Tenders for the Investment Management of Overseas Equities for the Brent Pension Fund Contract**

The Committee received a report which requested approval to invite tenders in respect of the investment management of overseas equities for the Brent Pension Fund as required by Contract Standing Orders 88 and 89. Martin Spriggs, (Head of Exchequer and Investment) advised the Committee that the existing contract with the Bank of Ireland Asset Management (BIAM) had been awarded in 2000, following a tendering process. Members heard that whilst BIAM had initially outperformed their target, performance had fallen over the last two years and consequently a number of concerns had arisen.

Some Members requested clarification regarding governing principles behind proposed investment approaches, and Mr Spriggs explained that each approach was examined according to strict criteria.

Members of the Committee enquired what the expected rate of growth was. Mr Spriggs advised that the benchmark was the Financial Times Stock Exchange (FTSE) World ex-UK Index, with an outperformance target of 2% per annum over rolling three year periods. Members

heard that BIAM had underperformed by 3.4% in 2004/05, and by 3% so far in 2005/06, and that independent advice had therefore been that the investment management contract for overseas equities should be tendered. Mr Spriggs also referred to paragraph 3.2 of the report (p6) and reiterated that there were additional concerns to the question of underperformance under consideration, which included a high staff turnover at BIAM.

RESOLVED:-

- (i) that officers invite tenders in respect of the investment management of overseas equities for the Brent Pension Fund;
- (ii) that the pre-tender considerations and the criteria to be used to evaluate tenders be as set out in paragraph 3.5 of the report;
- (iii) that officers terminate the existing contract with Bank of Ireland Asset Management (BIAM) in respect of the investment management of overseas equities on conclusion of the tender process.

**6. Sub-Committee Membership Changes**

None.

**7. Appointments to Outside Bodies**

None.

**8. Any Other Urgent Business**

None.

**9. Exclusion of Press and Public**

RESOLVED:-

that the press and public be now excluded from the meeting as the following reports are not for publication as they contained the following category of exempt information as specified in Schedule 12A of the Local Government Act 1972:

‘Any terms proposed, or to be proposed, by or to the Authority in the course of negotiations for a contract or for the acquisition or disposal of property or supply of goods or services’.

## 10. Payroll Contracts

The Committee received a report, presented by Barry Hilder (Head of Payroll and Pensions) which contained recommendations in relation to the future of the Council's payroll services contracts. Members discussed the issues and Councillor Coughlin (Lead Member for Corporate Resources) commented that the council's payroll unit had operated efficiently and effectively during this period of change. The Committee expressed the view that the performance of the payroll unit was to be commended.

### RESOLVED:-

- (i) that officers be authorised to terminate the payroll services contract between the Council and Serco Solutions Limited dated 16 December 2003 ("2003 Agreement");
- (ii) that officers be authorised to extend the payroll services contract between the Council and Serco Solutions Limited dated 2 June 1999 ("1999 Agreement") to the 31<sup>st</sup> October 2007 with provision to terminate the contract at an earlier date up to 3 months before the 31<sup>st</sup> October 2007, should a new payroll system be ready to go live;
- (iii) that the Director of Finance and Corporate Resources, in consultation with the Borough Solicitor, be authorised to negotiate and agree the terms of the termination of the 2003 Agreement and the extension of the 1999 Agreement;
- (iv) that the novation of the 1999 Agreement and the 2003 Agreement from Serco Solutions Limited (formerly ITNET UK Limited) to Serco Limited be agreed;
- (v) that the re tender of the Council's Payroll and IT Support Services contract be agreed in principle.

The meeting ended at 6.55 pm.

A JOHN  
Chair

*Mins0506/genpurp/gp10ok*