



LONDON BOROUGH OF BRENT

MINUTES OF THE GENERAL PURPOSES COMMITTEE

Wednesday 8 November 2017 at 6.30 pm

PRESENT: Councillor Butt (Chair), Councillor McLennan (Vice-Chair) and Councillors Farah, Hirani, Southwood, Tatler and Warren

1. Apologies for absence and clarification of alternate members

Apologies for absence were received from Councillor M Patel.

2. Declarations of interests

Councillor Hirani declared a personal interest with regard to agenda item 7, Future Provision of the Pension Administration Service, as a close relative received a Brent Local Government Pension.

3. Minutes of the previous meeting

RESOLVED that the minutes of the previous meeting held on 12 October 2017 be approved as an accurate record of the meeting.

4. Matters arising (if any)

There were no matters arising.

5. Appointments to Sub-Committees / Outside Bodies

The Chair drew the committee's attention to the nominations of the Brent Conservative Group with regard to the Brent Pension Fund, Senior Staff Appointments Sub Committee and Staff Appeals Sub-Committee.

At the request of David Veale (Director HR and Organisational Development), the committee also considered the appointment of Mr Sebastian Steer, Business Manager at Queens Park Community School, to the position of Employer Member on the Pension Board.

Councillor Warren questioned the process followed in identifying a suitable candidate for the vacant employer member position on the Pension Board. David Veale explained that the various employers were advised of the vacancy. Mr Steer had expressed interest in the position and had suitable skills and experience as a business manager for the school.

RESOLVED:

- i) that the following sub-committee appointments be agreed:

Brent Pension Fund

Davidson (Full Member)

Maurice (Substitute Member)

Warren (Substitute Member)

Senior Staff Appointments

Warren (Full Member)

Davidson (Substitute Member)

Ms Shaw (Substitute Member)

Staff Appeals Sub-Committee

Warren (Full Member)

Davidson (Substitute Member)

Maurice (Substitute Member)

- ii) that the appointment of Mr Sebastian Steer as Employer Member on the Pension Board be approved.

6. Future Provision of the Pension Administration Service

David Veale (Director of HR and Organisational Development) introduced a report from the Strategic Director of Resources, seeking approval to enter into a shared service arrangement with the Local Pensions Partnership (LPP) for the Brent Council pension administration service. The committee was informed that this service had been outsourced since 1994 and was currently awarded to Capita Employee Benefits. Capita's performance on the contract had not been satisfactory and concerns had been raised in the triennial valuation by the pension fund actuary with regard to the quality of Brent's pension administration data. The option of procurement of the pension administration contract via a mini competition using an existing procurement framework had been explored; however, the commercial market was small and officers considered that the shared service arrangement might offer the council a better service going forward. Members were advised that Cabinet approval to the arrangement was also necessary and Cabinet would be considering the matter at its meeting on 13 November 2017.

David Veale drew members' attention to the options appraisal of prospective partners, Orbis, LPP and West Yorkshire Pension Fund (WYPF) detailed in the report, noting that the committee also had before them an appendix exempt from publication under paragraph 3, schedule 12A of the Local Government Act 1972. In analysing the options, several key areas had been considered including annual contractual costs, implementation costs, operating system and quality of service.

Orbis was considered too costly and whilst the costs for LPP exceeded those of WYPF, LPP was considered to offer greater sustainability of the quality of service provision. The operating system used by LPP was sophisticated and the most commonly used, LPP operated in other London Boroughs and had experience of service migration with Capita.

In the subsequent discussion, the committee questioned whether the council had, through contract management, applied any financial penalties to Capita for poor performance. Clarity was sought regarding the length of the proposed contract with a shared service partner. Members also questioned whether forthcoming changes to the use of the Oracle system within the council as part of the council's Digital Strategy would affect the ability to link with other pension administration operating systems.

In response, David Veale advised that the council had previously pursued underperformance with Capita and further information about incidences resulting in any financial clawback under the contract in the current year would be obtained and provided to members following the meeting. The committee was informed that a Service Level Agreement would be entered into with the approved local government partner and it was not necessary to stipulate a length of time under this arrangement; however it would be usual for a period of at least five years to be observed. Althea Loderick (Strategic Director Resources) confirmed that the proposed changes to Oracle would have no implications for linking with pension administration operating systems.

RESOLVED:

- i) that the selection of the Local Pensions Partnership (LPP) as a shared service partner for the Brent Council pension administration service, using the delegation of functions of the Local Government Acts 1972 and 2000, the Localism Act 2011 and the Local Authorities (Arrangement for the discharge of Functions) (England) Regulations 2012 be approved;
- ii) that it be noted that a report seeking Cabinet approval to the shared service arrangement with Local Pensions Partnership would be submitted to Cabinet for consideration on the 13 November 2017.

7. Any other urgent business

None.

The meeting closed at 6.45 pm

COUNCILLOR MUHAMMED BUTT
Chair