

NORTHAMPTON BOROUGH COUNCIL

GENERAL PURPOSES COMMITTEE

Tuesday, 18 March 2008

PRESENT: Councillor Matthews (Chair); Councillor Garlick (Deputy Chair); Councillors Chaudhury, Clarke, Collins and Duncan

1. APOLOGIES

Apologies for absence were received from Councillors Duncan and Pam Varnsverry. Councillor Davies was substituting for Councillor Scott.

2. MINUTES FROM 27TH NOVEMBER 2007

Minutes of the meeting were agreed and signed.

3. DEPUTATIONS / PUBLIC ADDRESSES

There were none.

4. DECLARATIONS OF INTEREST

There were none.

5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD BE CONSIDERED

There were none.

6. NEW LOOK LOCAL GOVERNMENT PENSION SCHEME

The Interim Head of Human Resources presented the report stating that the Council needed to implement the New Look Local Government Pension Scheme by 1 April 2008.

The Committee discussed recommendation 2.1.1, which recommended that the Council should not apply the new discretion allowing employers to award additional pension (funded by the employer) of up to £5,000. The Committee felt that without being given the actual costs to the Council, they were unable to make an informed decision. Councillor Clarke added that in addition the report did not provide any information about the staff-side views on the recommendations and the negotiations that had taken place; and comparative information as to what other local authorities were doing, he commented that this would have an impact on the Council's ability to employ staff, especially if other surrounding authorities were providing a better package.

The Director for Finance commented that the actual cost to the Council could not be calculated as it depended on individual cases and circumstances. The cost would be significant and that it would come out of the revenue budget. She gave a hypothetical example of an individual retiring at the age of 50 and living till 90 years of age. If the discretion to award £5,000 was adopted, the cost incurred by the Council over the 40 year period would be £200,000 for that one individual.

It was suggested that where calculating the actual costs was not possible, the reports should provide examples of calculations on a range of scenarios to help Members make an informed decision.

It was noted that the item had been discussed at the Cabinet meeting and the report had included the staff-side views. The Committee felt that whilst it was good practice for the report to be discussed at Cabinet, as the ultimate decision maker on this matter, this Committee should be given all the information. The Committee should also be given the copy of the report that went to Cabinet. Councillor Matthews added that if General Purposes should be treated seriously and not just act as a rubber-stamping Committee.

The meeting was adjourned for a short period to circulate the report discussed at Cabinet. The Committee noted the Cabinet report and were of the opinion that it did not provide enough information to allow them to make an informed decision.

The advice from the Solicitor to the Council and Monitoring Officer, was that the Committee was entitled to request the information to enable them to make an informed decision. The issues and concerns of this Committee had been raised at Cabinet and that the staff side had already been consulted. The Council needed to adopt the scheme by 1 April 2008 and therefore not reaching a decision today would have implications.

Councillor Clarke proposed that the decision on this item be adjourned to another date (prior to 1 April 2008) and the information requested be provided at that meeting. Councillor Davies seconded the proposal. The Committee then voted in favour of the proposal. The information requested by the Committee was clarified as being the comments made by the staff side; comparative studies as to what other neighbouring Local authorities had agreed; and some examples based on hypothetical scenario of the cost that would be incurred by the Council.

The Committee agreed to consider Item 7 - Pay and Grading Review, and reconvene the meeting on 20th March 2008 at 6pm to discuss item 6 It was noted that the reconvened meeting to discuss the adjourned item should have attendance from the same Members.

RESOLVED: That the meeting be adjourned to 20th March 08, after having disposed of the other items on the agenda.

7. PAY AND GRADING REVIEW

I Procter, Director for Finance presented the report stating that General Purposes Committee note the outcomes of the 3rd March Cabinet meeting, which included the recommendation that Pay Grading would not be implemented as planned from 1 April 2008.

RESOLVED: That the report be noted.

Councillor Matthews formally adjourned the meeting stating that the meeting would be reconvened on 20th March 2008, at 6pm at the Guildhall to discuss the outstanding issue 'New Look Local Government Pension Scheme'.

8. EXCLUSION OF PUBLIC AND PRESS

There were none.

The meeting concluded at 19:00

The Committee reconvened on 20th March 08, at 6pm at the Guildhall

PRESENT: Councillor Matthews (Chair); Councillor Garlick (Deputy Chair); Councillors Clarke, Collins and Duncan

6. NEW LOOK LOCAL GOVERNMENT PENSION SCHEME

The Committee noted that the staff-side had been informed about the General Purposes meeting. The staff-side had been consulted and had already made their comments. Whilst the staff side were disappointed with the recommendations, they would be satisfied with the decision reached by General Purposes Committee.

In relation to the cost that was likely to be incurred by the Council, a copy of an example was circulated to the Committee. The calculations were based on the Council awarding an additional £5,000 per annum over a 30-year pension life. The calculations showed the breakdown in the cost that would be incurred by the Council over the 30 years, for per person; and if each year the number of retired individuals increased by 10 for the next 5 years. The cost per year per person over 30 years would be £13,660.

In response to a query, the Committee noted that the assumption of 10 retirements per year was reasonable, especially as to local authorities were being asked to find efficiency savings by reducing their staffing resources. It was noted that the cost would need to come out of the revenue budget, and that it was only the pension strain that could be capitalised.

In relation to comparative studies, it was noted that several neighbouring Council's had been contacted. Northamptonshire County Council, Wellingborough, East Northants and South Northants District Council were not adopting the £5,000 discretionary award. Corby and Kettering Borough Councils were unable to provide the information, due to the holiday season.

The Committee were satisfied with the information provided and agreed that Northampton Borough Council could not afford such a strain. They added that, had the all the information been provided in the report, they would not have needed to reconvene the meeting. The report should give an all rounded view and that General Purposes Committee should be given all the information that was provided to Cabinet.

Councillor Scott proposed and Councillor Garlick seconded that with the additional information provided the New Look Local Government Pension Scheme as per the report recommendations is adopted. The Committee voted in favour of the proposal.

RESOLVED: That Northampton Borough Council adopts the New Look Local Government Pension Scheme as per the report recommendations.

The meeting concluded at 18:30