

Item 3

At a Meeting of the **HUMAN RESOURCES COMMITTEE** held on **THURSDAY 18 NOVEMBER 2021** at **10.30am** in the Council Chamber, Civic Centre.

Present: -

Councillor Farthing in the Chair

Councillors Chequer, K Johnston, Hartnack, Haswell, Potts, Williams and P Wood.

Also present: -

Jon Ritchie	-	Executive Director of Corporate Services
Julienne Collinson	-	Specialist Lead, Governance Law
Tracy Palmer	-	Acting Assistant Director of People Management
Jim Woodlingfield	-	Payroll and Pensions Manager
Gillian Kelly	-	Principal Governance Services Officer

Appointment of Chair

In the absence of the nominated Chair and Vice-Chair of the Committee, nominations were requested for a Chair for the meeting.

Councillor Chequer, seconded by Councillor Williams, proposed that Councillor Farthing be appointed as Chair for the meeting.

1. RESOLVED that Councillor Farthing be appointed as Chair of the meeting.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors McKeith, G Miller, Stewart and Tye.

Declarations of Interest

Councillor K Johnston declared an interest in item 4 as he was a member of the Local Government Pension Scheme.

Minutes

2. RESOLVED that the minutes of the meeting of the Human Resources Committee held on 22 April 2021, Part I be confirmed and signed as a correct record.

Councillor Haswell asked if he would be permitted to ask a question about a matter not on the agenda and the Chair agreed to allow this following the consideration of the business set out in Part I of the agenda.

Statement of Policy on Discretions – Local Government Pension Scheme Regulations

The Executive Director of Corporate Services submitted a report proposing revisions to the Council's Statement of Policy on Discretions under the Local Government Pension Scheme Regulations.

Scheme employers participating in the Local Government Pension Scheme were required to formulate, publish and keep under review a statement of policy on all mandatory discretions which they had the power to exercise. Exercise of the discretions would be in the interests of the Council and the policy statement set out a general position and retained the right for the Council to depart from this in extraordinary circumstances.

The main proposed changes to the existing discretions were: -

- The introduction of the option for Shared Cost Additional Voluntary Contributions; this would reduce the cost for staff to build up additional pension savings whilst providing a modest saving in national insurance costs for the Council.
- To allow for flexible retirement where there was no cost to the Council or where the cost was fully offset by savings within two years due to the reduction in grade or hours of work.
- To allow for the exchange of lump sum payments for additional pension in redundancy situations (for the portion of payment in excess of the statutory minimum) where the member of staff requested this.
- The determination of gainful employment (in respect of a member who had taken ill-health retirement and subsequently returned to work) as employment expected to last at least 12 months, paid or above the current Living Wage rate published by the Living Wage Foundation, for at least 30 hours per week.
- To allow for bulk transfers where these provided a better value outcome in consultation with the Administering Authority.
- Removal of the previous limited extension to the 12-month limit on transferring other pension rights into the LGPS or electing to keep benefits separate where the member was unaware of the limit.

Councillor Wood referred to the annual saving projected from the Shared Cost Additional Voluntary Scheme and that approximately 30% would be taken up in fees; he asked if the fees would increase if more people took up the scheme and who would receive these fees.

The Payroll and Pensions Manager stated that running the scheme in-house had been considered but the additional resource required would be a similar cost to the third party provider who would run the scheme with no up front cost or risk. It was felt that a bigger saving would be achieved overall through an external provider.

Councillor Haswell noted that anything which benefited employees and the employer should be favoured but asked if any modelling had been done on the costs of an in-house facility against an external provider.

The Payroll and Pensions Manager advised that one additional post would be required to administer the scheme, regardless of uptake, which would be in the region of £30,000 with on costs. Based on the current take up, the savings to the Council would be £42,000 and were estimated to be £29,000 net of fees so it would be a cost neutral position.

Councillor Farthing noted that the proposals for the Shared Cost Additional Voluntary Contributions seemed to align with civil service pensions. She asked what the determination of gainful employment would mean in practice.

The Payroll and Pensions Manager explained that if someone took ill health retirement but then subsequently returned to work then the employer had to decide whether this was 'gainful employment' and if their pension should be suspended.

Councillor Farthing asked if the Authority would be able to recoup costs in these circumstances and the Payroll and Pensions Manager said that this was not an up front cost to the Council and would be taken into account in the actuarial calculation.

In response to a question about other local authorities taking up the option of a third party provider for Additional Voluntary Contributions, the Payroll and Pensions Manager stated that South Tyneside and Newcastle Councils were operating such a scheme and others were looking into it. There would be a procurement exercise to identify a provider for Sunderland.

Councillor Haswell suggested that the Committee receive a further update in the future on the costs of the scheme to ensure that these remained neutral.

Upon consideration of the report, it was: -

3. RESOLVED that: -

- (i) the Statement of Policy in respect of discretions under the Local Government Pension Scheme Regulations be approved; and
- (ii) the establishment of a Salary Sacrifice Scheme for Shared Cost Additional Voluntary Contributions for LGPS members as a benefit for employees and to provide a saving for the Council be authorised.

Local Authority Recruitment Process

Councillor Haswell was aware that the Council had long standing vacancies for some 'low skilled' roles and he felt that it was necessary to look at the online recruitment process to remove barriers to those individuals who did not have access to the internet. He noted that often these people were guided through to job clubs and then to Council vacancies in any case.

Councillor Farthing suggested that officers take away this matter, noting that if an application form was difficult to complete, then it was understandable that some people may give up.

The Acting Assistant Director of People Management commented that job design and how roles fitted in with other areas of life was important and where roles were advertised was also an important factor in attracting suitable candidates.

4. RESOLVED that officers be asked to provide an update on the recruitment process.

Local Government (Access to Information) (Variation Order) 2006

At the instance of the Chair, it was: -

5. RESOLVED that in accordance with the Local Government (Access to Information) (Variation) Order 2006, the public be excluded during the consideration of the remaining business as it was considered to involve a likely disclosure of information relating to a particular individual or which was likely to reveal the identity of an individual or which was likely to reveal the identity of an individual and any consultations or negotiations, or contemplated consultations or negotiations in connection with any labour relations matter arising between the Council and its employees. (Local Government Act 1972, Schedule 12A, Part 1, Paragraphs 1, 2 and 4). The public interest in maintaining this exemption outweighed the public interest in disclosing the information.

Minutes

6. RESOLVED that the minutes of the meeting of the Human Resources Committee held on 22 April 2021, Part II, be confirmed and signed as a correct record.

(Signed)

L FARTHING
In the Chair