

CABINET MEETING – 2 NOVEMBER 2011
EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Report of the meeting of the Personnel Committee, Part I held on 20 October 2011

Author(s):

Head of Law and Governance

Purpose of Report:

Presents the report of the meeting of Personnel Committee, Part I

Action Required:

The Cabinet is requested to note the report of the meeting held on 220 October 2011

At a meeting of the PERSONNEL COMMITTEE held in the CIVIC CENTRE on THURSDAY, 20th OCTOBER, 2011 at 5.30 p.m.

Present:-

Councillor H. Trueman in the Chair

Councillors Speding, D. Trueman, P. Watson, S. Watson, A. Wilson and Wood.

Part I

Appointment of Chairman

In the absence of both the Chair and Vice Chair it was agreed that Councillor H Trueman Chair the meeting.

Apologies for Absence

Apologies for absence were submitted to the meeting on behalf of Councillors Errington, Gofton, Mordey and D. Smith

Declarations of Interest

The following Councillor declared a personal interest in the report below as a Member of the body indicated:-

Item 6 – The Local Government Pension Scheme (LGPS)	Councillor H Trueman	Member of the Local Government Pension Scheme (LGPS)
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Report of the Meeting of the Personnel Committee, Part I

The report of the meeting of the Personnel Committee held on 22nd September, 2011 Part I (copy circulated) was submitted and consideration given thereto.

(For copy report – see original minutes).

1. RESOLVED that the report of the meeting be noted, confirmed and signed as a correct record.

Report of the Meeting of the Joint Consultative Committee, Part I

The report of the meeting of the Joint Consultative Committee held on 21st September, 2011 Part I (copy circulated) was submitted and consideration given thereto.

(For copy report – see original minutes).

2. RESOLVED that the report of the meeting be noted for information subject to the removal of Councillor T Wright from the apologies for absence.

Reports of the Meetings of the Appeals Panel, Part I

The reports of the meetings of the Appeals Panel held on 22 September and 11 October, 2011 Part I (copies circulated) were submitted and consideration given thereto.

(For copy reports – see original minutes).

3. RESOLVED that the reports of the meetings be noted for information subject to an amendment to reflect that Councillor Speding Chaired the meeting.

The Local Government Pension Scheme (LGPS)

The Director of Human Resources and Organisational Development and Executive Director of Commercial and Corporate Services submitted a joint report to advise Members of the continuing review of the LGPS and a statutory consultation exercise on LGPS reform.

The Head of Transactional Services explained that the report set out the resulting progress of the medium to long term plans considered by the Hutton review and also the short term plans to implement policies announced in the 2010 Autumn Spending Review on employee pension contributions.

The Commission produced its interim report on 7 October 2010. It concluded that long term structured reform and a more prudent approach to public sector pensions was needed, and that increasing member contributions would be the most effective way of making short term savings.

The Commission's final report was published on 10 March 2011 which contained twenty seven recommendations to the Government on reform to public sector pension arrangements. The Government welcomed the recommendations and agreed that they should go forward as a basis for further consultation.

Members were advised that the Chief Secretary to the Treasury made a Ministerial Written Statement to the House of Commons on 19 July. The Government's position was that public sector pensions would remain amongst the very best available,

providing a guaranteed pension level for all employees. However, as people are living longer and as a consequence pensions are becoming more expensive, the Government believed that people needed to work longer before drawing their pension. It was also stated that the long term reforms were unlikely to come into force before 2015.

With regards to employee contributions, the Department for Communities and Local Government (CLG) had invited the Local Government Employers and trade unions to conduct discussions with the aim of identifying a package of measures which would provide equivalent savings to the 3.2% employee contribution increase being proposed to other public sector schemes. Scheme changes, including any increases to employee contributions were to come into force on 1 April 2012.

Members were advised that the Government intended to set individual scheme cost ceilings to ensure on-going affordability and sustainability.

All public sector schemes were being invited to provide initial reform proposals between October and December 2011 so that relevant legislation could be introduced in the 2012-13 Parliamentary session. The aim was for full implementation by April 2015.

The Head of Transactional Services then advised the committee of three proposals which were all a variation on the same approach.

CLG proposed no increase for those earning up to £15,000 over the three years, an increase of no more than 1.5% for those earning between £15,000-£21,000 and for 'high earners' a maximum 6% increase on the current 7.5% contribution.

CLG also proposed the following two approaches:-

- 1) £900 million to be derived from a 50:50 split of £450m from employee contributions and £450m from a change in the accrual rate to 1/64th in 2013 and 1/65th in 2014, as opposed to the current rate of 1/60th, or
- 2) £300m to be derived from employee contributions and 2/3 to be generated from a change in the accrual rate to a maximum of 1/67th.

The Local Government Employers Group proposed:-

A £600m range of proposals including an element of individual choice together with £300m being generated from raising the retirement date.

A consultation was ongoing with a technical response deadline date of 28 October and an overall deadline response date of 6 January 2012.

A further report would be submitted to the next meeting.

The Deputy Director of Human Resources and Organisational Development advised members of the proposed Strike date of 30 November, however the result of the ballot was not known at the current time.

4. RESOLVED that the contents of the report be noted together with the verbal report in respect of the statutory consultation exercise.

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

At the instance of the Chairman, it was:-

5. RESOLVED that in accordance with Section 100(A)4 of the Local Government Act 1972, the public be excluded during consideration of the remaining business as it is considered to involve a likely disclosure of exempt information relating to an individual or information which is likely to reveal the identity of an individual or information relating to any consultations or negotiations, or contemplated consultations or negotiations in connection with any labour relations matters arising between the Authority and its employees (Local Government Act 1972, Schedule 12A, Part I, Paragraphs 1, 2 and 4).

(Signed) H. TRUEMAN,
Chair for Meeting.

Note:-

The above minutes comprise only those relating to items during which the meeting was open to the public.

Additional minutes in respect of other items are included in Part II.