

Item 3

SEDGEFIELD BOROUGH COUNCIL

EMPLOYMENT ISSUES PANEL

Council Chamber,
Council Offices,
Spennymoor

Thursday,
24 February 2005

Time: 2.00 p.m.

Present: Councillor M. Iveson (Chairman) and
Councillors Mrs. A.M. Armstrong, A. Gray, G.C. Gray, A. Hodgson and
Mrs. C. Sproat

Apologies: Councillors J.M. Smith

EIP.3/04 DECLARATIONS OF INTEREST

Councillors Mrs. A.M. Armstrong, A. Hodgson and M. Iveson reported that they would be declaring a personal interest in Item 4 – Early Retirement/Voluntary Redundancy (ER/VR) Policy Review as the report would be submitted to a future meeting of Cabinet for consideration.

EIP.4/04 MINUTES

The Minutes of the meeting held on 11th August 2004 were confirmed as a correct record and signed by the Chairman. (For copy see file of Minutes).

EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That in accordance with Section 100(a)(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following item of business on the grounds that it may involve the likely disclosure of exempt information as defined in Paragraph 11 of Schedule 12a of the Act.

NB : In accordance with Section 81 of the Local Government Act, 2000 and the Member's Code of Conduct, Councillors Mrs. A.M. Armstrong, A. Hodgson and M. Iveson declared a personal interest in the following matter and remained in the meeting.

EIP.5/04 EARLY RETIREMENT/VOLUNTARY REDUNDANCY (ER-VR) POLICY REVIEW

Consideration was given to a report of the Director of Resources in respect of the above. (For copy see file of Minutes).

Members were reminded that Cabinet, at its meeting on 13th May 2004 had agreed to the commissioning of a review in respect of the Council's Early Retirement / Voluntary Redundancy Policy. It was explained the report (attached at Appendix 1) had been presented to the Joint Consultative Group on 11th November 2004, with a request for the Trade Union to submit their comments on the review and the options for change by 7th December 2004.

The Panel considered Appendix 1, which reviewed the key aspects of the Council's existing policy and the options for change.

Specific reference was made to the changes to the Local Government Pension Scheme (LGPS) regulations that would come into effect from 1st April 2005 and their impact on the Council's ER/VR policy.

Reference was also made to a consultation paper, recently issued by the Office of the Deputy Prime Minister (ODPM), setting out a range of options for further comprehensive review of the LGPS, which was expected to come into force in April 2008.

Members noted the views expressed by the trade unions that were detailed in Appendix 2.

With regard to the tables setting out suggestions regarding added years for early retirement, Members proposed that a further category should be introduced – 'over 25 years'. The categories 'under 5 years' and '05 – 10 years' should be combined to form the category 0 – 10 years, the over 25 years category should replace that previously shown as 'over 20 years' and the intermediate categories would be moved accordingly.

The Panel was of the preliminary view that it would be premature to make a final decision on the total withdrawal of added years benefit at the present time and decided to opt for a more incremental approach to change. It was therefore proposed that Option B2, as detailed in Appendix 3 and amended as outlined in the previous paragraph, should be introduced from 1st April 2005 and Option C, as amended, from 1st January 2007.

It was also suggested that a further review of the policy should take place in 2008 when the outcome of the ODPM'S comprehensive review of the LGPS was known.

**PRELIMINARY
RECOMMENDATIONS:**

1. *That with regard to the number of continuous years service with the Council, the category shown as 'over 20 years' be replaced by a new – 'over 25 years' category and the categories 'under 5 years' and '05 – 10 years' be combined to form the category '0 – 10 years' and the other categories be moved accordingly'.*

2. *That Option B2, as amended by recommendation 1, be introduced from 1st April 2005 and Option C, as amended, from 1st January 2007.*
3. *That a further review be undertaken in 2008 when the outcome of the ODPM'S comprehensive review of the LGPS was known.*

ACCESS TO INFORMATION

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