

SEDGEFIELD BOROUGH COUNCIL

EMPLOYMENT ISSUES PANEL

Conference Room 1,
Council Offices,
Spennymoor

Tuesday,
7 March 2006

Time: 10.00 a.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.4/05 DECLARATIONS OF INTEREST

Councillors Mrs. A.M. Armstrong, A. Hodgson and M. Iveson reported that as Cabinet members they would be declaring a personal interest in Item No. 3 – Proposed Changes to Local Government Pension Scheme as a further report on the matter would be submitted to a future meeting of Cabinet.

EIP.5/05 MINUTES

The Minutes of the meeting held on 9th September 2005 were confirmed as a correct record and signed by the Chairman.

EIP.6/05 PROPOSED CHANGES TO LOCAL GOVERNMENT PENSION SCHEME (LGPS)

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

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

It was explained that during 2005 the Government had introduced and subsequently revoked Local Government Pension Scheme (LGPS) Regulations that would have increased the earliest retirement age from the Pension Scheme to age 55 for most members. The revocation had imposed a cost on the Local Government Pension Scheme as employer contributions had been set on the assumption that reduced benefits would become payable from April 2005.

The Panel noted that following tripartite discussions between the Government, union and employer representatives on the long term future

of the LGPS, the Deputy Prime Minister had issued draft Regulations on 5TH December 2005, which were subject to a period of statutory consultation ending on 28th February 2006. Section 4 of the report outlined the proposed changes to the LGPS as set out in the draft regulations.

Members' attention was drawn to the 'rule of 85' which allowed individuals to take benefits from the scheme unreduced before age 65, provided contributory service plus age equalled at least 85. It was explained that the Government had been advised that the 'rule of 85' must be removed by 1st October 2006 as it would not be compatible with the forthcoming age discrimination legislation. The draft regulations allowed some protection for those near retirement – anyone who reached 60 by 31st March 2013 would not be affected by the removal of the 'rule of 85'.

Specific reference was made to paragraph 4.3. of the report, which outlined other proposed changes to take advantage of the new pension tax regime that would come into force on 6th April 2006.

It was pointed out that the Trade Unions which represented Local Government employees did not agree with the main thrust of the proposals set out in the draft Regulations, particularly the abolition of the 'rule of 85' and had held a series of ballots for possible strike action on 28th March 2006. The results of the ballots were not yet known.

It was proposed that as further changes to government policy were likely to be announced, the Council's ER/VR policy, which still referred to age 55 as the earliest time that enhanced benefits would be paid, should remain unaltered at the present time.

- RESOLVED :*
- 1. That the current position as detailed in the report be noted.*
 - 2. That the earliest age that an employer can agree to the release of benefits reverts back to 50 as the result of the revoked regulations, be noted and that Cabinet be advised that the Council's ER/VR policy should remain unaltered pending the receipt of further Government changes as indicated in paragraph 4.4. of the report.*
 - 3. That Cabinet be appraised of the current situation with regard to the Local Government Pension Scheme.*

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 items of business on the grounds that they involve the likely*

*disclosure of exempt information as defined in
Paragraph 1 of Part 1 of Schedule 12a of the Act.*

EIP.7/05

RETIREMENT - EARLY RETIREMENT/VOLUNTARY REDUNDANCY

Consideration was given to a report of the Director of Resources regarding an application for Early Retirement/Voluntary Redundancy. (For copy see file of Minutes).

RESOLVED : That the recommendations detailed in the report be adopted.

EIP.8/05

APPLICATIONS TO RETIRE - REGULATION 31 OF THE LOCAL GOVERNMENT PENSION SCHEME (LGPS)

Consideration was given to a report of the Director of Resources regarding applications to retire early under Regulation 31 of the Local Government Pension Scheme (LGPS) 1997. (For copy see file of Minutes).

RESOLVED : That the recommendations detailed in the report be adopted.

ACCESS TO INFORMATION

Any person wishing to exercise the right of inspection, etc., in relation to these Minutes and associated papers should contact Mrs. Gillian Garrigan ggarrigan@sedgefield.gov.uk