

MINUTES OF THE GENERAL PURPOSES COMMITTEE
Tuesday, 16th January 2007 at 7.00 pm

PRESENT: Councillor John (Chair) and Councillors D Brown, V Brown (alternate for Bessong), Dunwell (alternate for Colwill), Castle, Kansagra (alternate for Blackman), D Long, Lorber, J Moher, R Moher (alternate for Beswick) and Wharton.

1. Declarations of Interest

There were none.

2. Minutes of Previous Meetings

RESOLVED:-

that the minutes of the previous meeting of the General Purposes Committee on 27th September 2006 be received and approved as an accurate record.

3. Matters Arising

There were none.

4. Deputations

There were none.

5. Calculation of Council Tax Base 2007/08

Members had before them a report setting out the council tax base calculations to be used for 2007/08. Duncan McLeod (Director of Finance and Corporate Resources) introduced the item, noting that the reference to a recommendation 2.3 in paragraph 3.3 (page 13) of the report should be removed, since this recommendation did not exist. He reminded those present that in agreeing the tax base, the General Purposes Committee would be carrying out an important function that formed part of the statutory process of setting the 2006/07 budget.

It was advised that the council tax base was based the number of dwellings within each council tax band. Mr McLeod noted that the calculation took into account a number of factors, including the overall number of properties and their banding, the impact of the 10 percent discount on second and long term empty furnished properties on the number of Band D equivalent properties, and the estimated collection

rate for council tax. It was noted that an assumption of a 100 percent collection rate would not be achievable in an urban borough such as Brent. Furthermore, adjustments were necessary in order to take account of changes to the status of individual households within any one year. Thus, the estimated collection rate had been set at 97.5 percent. Mr McLeod advised that whilst collection rates had improved in recent years, Brent was nevertheless still falling somewhat short of achieving this target. It was also noted that the slight decrease in the tax base calculation from the previous year was due to an increase in single person discounts.

One member questioned whether the 97.5 percent assumed collection rate was a reliable figure. In response, Mr McLeod accepted that the figure was an ambitious target, though discussions were taking place with the contractor, Capita, to improve in-year collection rates and arrears. Given that there were certain elements beyond the control of the local authority, it was therefore advised that the 97.5 percent figure represented an informed estimate. A question was asked about the point at which the local authority would revise its council tax calculation, following notification that an individual household had become eligible for a single person discount. Members were informed the changes would be made following written confirmation. However, where an individual received benefits, further checks would be required and, therefore, the process could take longer.

RESOLVED:-

- (i) that the collection rate for the Council Tax for 2007/08 be set at 97.5 percent;
- (ii) that, in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, the amount calculated by the Council as its Council Tax Base for 2007/08 is set at 93,900.

6. Discretionary policies under the Local Government Pension Scheme

Members were reminded that at the previous meeting on 27th September 2006, the General Purposes Committee had agreed a change to the Council's abatement policy, subject to consultation being undertaken with employers who contribute to the Brent pension fund, as required under regulation 109 (2) of the Local Government Pension Scheme (LGPS). Duncan McLeod advised that that the consultation period had now finished, and no responses had been received.

Following a request for clarification, it was confirmed that the proposals were regarded as lower risk than the other options that had been considered, and it was unlikely that the Council would lose a challenge brought against it regarding abatement. Mr McLeod also sought to reassure members that abatement provisions were rarely used.

RESOLVED:-

- (i) that the decision of the General Purposes Committee on 27th September 2006 be confirmed to allow the Council to change its policy on abatement so that, where appropriate, in accordance with the methodology in schedule 15 of the Local Government Pension Scheme Regulations 1995, there is a reduction of members' pensions in all cases if they return to employment with Scheme employer;
- (ii) that the existing arrangements for appeals against abatement be retained;
- (iii) it be noted that that the new policy may not commence until the passage of one month following the date of the publication of the policy;
- (iv) that it be noted that the new policy only affects pensioners who enter a new contract of employment with a relevant employer after the new policy is implemented.

7. Pension scheme access for the Avigdor Hirsch Torah Temimah Primary School

The Committee received a report regarding pension scheme access at the Avigdor Hirsch Torah Temimah Primary School. It was outlined that LGPS regulations required that non teaching employees of voluntary aided schools could only become member of the scheme if the Local Education Authority, with the school's consent, passed a statutory resolution allowing a particular employee or class of employees such membership. The report before members requested that the Committee pass a statutory resolution permitting a specified employee of Avigdor Hirsch Torah Temimah Primary School to become a member of the LGPS.

Members also had before them an appendix to the report which was not for publication as it contained the following category of exempt information as specified in Schedule 12 of the Local Government (Access to Information Act) 1972:

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Those present were advised that the school had made this request on the basis that the terms of the LGPS would assist retention to a particular post. However, it had been asserted that they would not be able to afford to extend membership to all non teaching staff members. It was also confirmed that if the recommendations were agreed, the individual employee would become eligible to join the LGPS scheme.

The Chair queried whether only allowing one staff member to join the scheme raised any equalities issues. In response, the legal advisor noted that the regulations did provide for only a named individual from a school to be eligible to be a member, and that the school's decision only to consent to membership for one employee was unlikely to be considered discriminatory providing there were justifiable reasons. It was acknowledged, however, that other staff members could seek to challenge that decision.

Further to a question raised, it was explained that the school would be responsible for making its employee contributions, and would ultimately be answerable to the pensions' regulator if it failed to make these payments. Nevertheless, it was acknowledged that the Council could be liable to make payments if the school failed to make its scheme contributions.

Councillor Castle raised a query regarding a possible conflict between 'Single Status' legislation and the LGPS Scheme provisions. The Legal Advisor noted that "Single Status" concerned a negotiated agreement rather than legislation and had no direct connection with the LGPS.

Following questions raised, the Committee heard that information was not currently available on the age of the individual employee in question. The number of other eligible employees currently excluded from the scheme was also not known, though it was thought that the numbers were relatively low. It was also confirmed that the case before members was the only example within the borough where a school had made an LGPS application for an individual rather than all eligible employees. In response to a query, it was noted that attracting additional members was beneficial to the LGPS Scheme.

One member pointed out that it was not uncommon nor considered unreasonable for companies to have differential pension schemes for employees. A further question was raised about whether the Council could recoup the administrative costs of adding an employer to the LGPS scheme. Mr McLeod responded that such costs were part of the responsibilities of the local authority as a pension provider. He did, however, acknowledge that the Council had previously incurred costs

when a voluntary organisation had taken a decision to exit the scheme when it was wound up.

In response to a question raised, members heard that in some circumstances the Council would transfer an employee's pension rights once they left the organisation. Alternatively, a lump sum would be paid out reflecting the individual's contributions to the scheme. Thus, one member noted that further questions needed to be addressed as to how long the individual in the current application had been in post, and whether there had previously been a high turnover in this post. Further to a query about what would happen in the event of the school going bankrupt, it was confirmed that the last payment would be made up until the individual's last day of employment. It was, however, noted that this was an unlikely scenario.

There followed a discussion about whether a decision should be taken by the Committee at the current meeting or deferred until the next meeting pending further information. The Chair noted that whilst it might not be appropriate to enquire about the circumstances of the individual in the application, there was a general lack of clarity regarding the proposal before members. It was further noted that a number of questions had been raised during discussion, which had not been addressed.

Some members expressed the view that the Council had a responsibility to ensure that the decision was not taken until the questions raised had been satisfactorily answered. Other members felt the application fell within the Council's policy and failure to take a decision at the current meeting would be prejudicial to the individual in question. Particular attention was also drawn to the need for more comprehensive information to be included in any future reports on this issue.

The Chair moved a motion that to defer the decision until further information could be provided by the school. Councillor D Brown then moved an amendment to this motion proposing that a decision on the item be taken at the current meeting. Members voted on the amendment, which was declared LOST.

RESOLVED:-

- (i) that a decision on whether the individual named in Appendix 1 of the report be admitted to the LPGS scheme be deferred to the next meeting of the General Purposes Committee to enable relevant points raised by members during the current meeting to be addressed.

10. Date of Next Meeting

It was noted that the next meeting of the General Purposes Committee would take place on Tuesday, 27th March 2007.

11. Any Other Urgent Business

None.

The meeting ended at 7.55 pm.

A JOHN
Chair