



# LONDON BOROUGH OF BRENT

## MINUTES OF THE GENERAL PURPOSES COMMITTEE Tuesday, 26 January 2010 at 7.00 pm

PRESENT: Councillor John (Chair) and Councillors Bessong, Beswick, Butt, Colwill, Dunwell, Lorber, Sneddon and Wharton

Apologies were received from: Councillor Blackman

### 1. **Declarations of personal and prejudicial interests**

None declared.

### 2. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on Tuesday 24 November 2009 be approved as an accurate record of the meeting.

### 3. **Matters arising (if any)**

None.

### 4. **Deputations (if any)**

None.

### 5. **Managing Change Policy and Procedure**

This item was withdrawn.

### 6. **Calculation of Council Tax Base 2010/11**

Duncan McLeod (Director of Finance and Corporate Resources) introduced the report which set out the council tax base calculation to be used for 2010/11. He explained that the calculation of the tax base was one of the main stages in the process of setting the council tax, which was scheduled for the Council Meeting on 1 March 2010. He added that regulations required that the council tax base be set by 31<sup>st</sup> January 2010.

Duncan McLeod informed the committee as to how the calculation of the council tax based was formulated. He explained that the council tax based was calculated by adding together 98,628 (the council tax base return submitted to the Department of Communities and Local Government in October 2009) and 302 (the impact of

adding back 40% of the value of second and long term empty furnished properties at Band D equivalent). This total, he explained, was then to be multiplied by the estimated rate of collection. Duncan McLeod highlighted that it was recommended in the report that the collection rate be set at 97.5%. He explained that due to the recession it would be unrealistic to set the figure any higher and that an over-optimistic assumption could lead to the Council having to declare a deficit in later years. Duncan McLeod explained that if Members agreed that the council tax collection rate should be set at 97.5%, the council tax base for 2010/2011 would be 96,457.

In response to a question regarding the effect of using a higher collection rate, Duncan McLeod explained that if, for example, a 98% collection rate was used, it would mean that approximately an extra half a million pounds would need to be collected. However, he stated that experience had shown that this amount would be difficult to collect. If the Council was unable to collect the extra amount, the Council would, he explained, then have to declare a deficit. In response to a query regarding the 25% discount for single adult households, Duncan McLeod explained that he was not aware of any plans for this discount, set by Central Government, to be removed.

RESOLVED:-

- i) that the collection rate for the council tax for 2010/2011 be set at 97.5%;
- 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 2010/2011 be set at 96,457.

## **7. Amendments to the Council's policy for Admission Agreements**

Duncan McLeod (Director of Finance and Corporate Resources) introduced the report which set out the amendments to the Council's policy for Admission Agreements. He explained that to ensure the better procurement of services from external organisations, which was one of the aims of the One Council initiative, a consolidation of the Council's approach to Admission Agreements, that allowed transferring staff continued access to the Local Government Pension Scheme (LGPS), was required.

Duncan McLeod explained that Members were being asked to note that the criteria for Admission Agreements for Community Admission Bodies, detailed in Appendix A of the report, was to remain unchanged. He noted that whilst regulation 5 of the Local Government Pension Scheme stated that charitable and not for profit organisations were entitled to request access to the Local Government Pension Scheme, due to the economic climate it was unlikely that these types of organisations would apply for access to the scheme due to its expense.

Duncan McLeod stated that Regulation 6 (2) of the Local Government Pension Scheme Regulations had empowered the Council to allow organisations, other than community admission bodies, which provided its service or assets, access to the Local Government Pension Scheme. He drew the committee's attention to the proposed new criteria for non-community bodies, as detailed in Appendix A of the report, which Members were being asked to agree. The main difference in the

criteria, he explained, related to the use of risk share agreements. A risk share agreement, he stated, was when the contractor agrees to take on the risks which it would have some control over or those which would be manageable, such as excessive pay rises and early and ill health retirements, and the Council takes on other risks, such as the investment risk, basis risk, and increases associated with changes in legislation.

Duncan McLeod informed the committee as to why officers believed that a risk share agreement often represented a pragmatic way of achieving best value. He explained that a risk share agreement could help provide the necessary assurance to a contractor, thus enabling them to make a more competitive bid. This, he added, might then encourage bids from quality organisations that might have been disinclined to bid because of the pension risk. The new criteria, he explained, would allow the Director of Finance and Corporate Resources to agree to enter into a risk share agreement if satisfied that the pension fund would be no worse off than if the transferring staff had remained in their current employment and if assured that the risk share agreement would achieve best value. He added that the current criteria, for admission agreements for non-community bodies as set out in paragraph 3.16, did not allow for a risk share agreement to be entered into without the matter being referred to the General Purposes Committee for consideration.

In the discussion which followed, it was noted that the Council's policy for admission agreements related to members of staff who were transferring under TUPE as a result of the outsourcing and did not relate to brand new staff who would be providing a new service. In response to a question regarding whether a risk share agreement would pose a risk to the individual, Andrew Gray (Pensions Manager) explained that since 30 September 2007, following a directive by the Secretary of State, a contract with a third party provider must require the contractor to ensure pension protection for council employees who transfer under TUPE as a result of the outsourcing. He added that the risk in a risk share agreement would be shared between the Council and the third party provider. The only risk, he explained, that an individual would face, which would be the same for all council staff on the Local Government Pension Scheme, would be if Central Government changed the Local Government Pension Scheme because it was no longer affordable.

In recognition of the potential impact on the bid price, it was asked whether it would be made known to all bidders before they place a bid that a risk share agreement was possible. In response, Andrew Gray explained that it was important that the Pensions Manager, procurement and legal services be involved with the process at the earliest possible opportunity and that an assessment takes place to decide whether a risk share agreement would be appropriate. He added that if it was decided that it was appropriate, it would be necessary to then provide all the bidders with the same information before they made their bid.

RESOLVED:-

- i) that the new process and criteria for non community admission bodies, detailed in Appendix A, be agreed;
- ii) that it be noted that the criteria for community admission bodies, detailed in Appendix A, has remained unchanged.

**8. Appointments to Sub-Committees / Outside Bodies (if any)**

RESOLVED:-

that approval be given to the following changes to committee membership:-

*Senior Staff Appointments Sub Committee*

Delete Councillor Matthews as 1<sup>st</sup> alternate for Councillor Sneddon and insert Councillor Lorber

Delete Councillor Lorber as 1<sup>st</sup> alternate for Councillor Wharton and insert Councillor Matthews

**9. Any Other Urgent Business**

None.

**10. Exclusion of Press and Public**

that the press and public be now excluded from the meeting as the following report contains the following category of exempt information as specified in the Local Government Act 1972 namely:

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

“Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings”.

**11. Pension Arrangements for Staff transferring to the Camden Society**

Duncan McLeod introduced the report which proposed how the pension arrangements for staff transferring to the Camden Society should be resolved. He explained that on the 16 November 2009, the Executive approved the award of the contract for Residential and Respite Care Services for People with Learning Disabilities to The Camden Society. That approval, he added, was subject to the resolution of pension arrangements and to the subsequent endorsement of arrangements by the General Purposes Committee.

Members discussed the proposed pension arrangements as set out in the report. It was noted that Andrew Gray would be writing to the carers at Melrose House to keep them informed of pension arrangements.

RESOLVED:-

- i) that the proposed pension arrangements with The Camden Society as set out in the report be endorsed;
- ii) that authorisation be given to the Director of Finance and Corporate Resources to decide whether or not the council should enter into an admission agreement with The Camden Society;

- iii) that authorisation be given to the Director of Finance and Corporate Resources to decide, subject to recommendation ii), the terms in which the council will enter into an admission agreement with the Camden Society.

**12. Date of Next Meeting**

It was noted that additional meetings of the committee would be convened if business required this.

The meeting closed at 7.45 pm

A JOHN  
Chair