

MINUTES OF THE GENERAL PURPOSES COMMITTEE

Tuesday, 30th June 2009 at 7.00 pm

PRESENT: Councillor John (Chair), Councillor Blackman (Vice-Chair) and Councillors Beswick, V Brown (for Bessong), Butt, Colwill, Dunn (for Lorber), Dunwell, Sneddon and Wharton.

Apologies for absence were submitted on behalf of Councillors Bessong and Lorber.

1. Declarations of Personal and Prejudicial Interests

None declared.

2. Introductions

Members welcomed Shahida Nasim (Audit Commission) to the meeting.

3. Minutes of the previous meeting

RESOLVED:-

that the minutes of the previous meetings held on 12th and 18th May 2009 be approved as accurate records.

4. Deputations

None at this meeting.

5. 2008/09 Statement of Accounts

The Accounts and Audit Regulations required the Council's Annual Statement of Accounts to be approved by Committee. The report before members presented the legal and accounting requirements for the accounts and the Audit Commission's audit opinion plans. The Statement of Accounts was circulated as a supplement to the main report in advance of the meeting, having only recently been completed, and which the Chair certified as urgent as approval was required by 30th June 2009.

The Director of Finance and Corporate Resources introduced his report and referred to the plans for the Pension Fund which had previously been approved by the Audit Committee, and were now before members for noting. On the Statement of Accounts, the Director began by thanking colleagues for their efforts in compiling the accounts. Information had been included in the Brent Magazine to inform residents of the position. The Director of Finance and Corporate Resources drew specific attention to the position of the General Revenue Account the outturn for which was better than expected at the start of the financial year. He also highlighted the council's responsibilities, the governance statement and income and expenditure accounts. The Director outlined the reasons for the decline in the net value of assets and liabilities to £158M since March 2008. The position on the Housing Revenue Account and the General Fund was largely as anticipated. . On the Pension Fund Accounts, members noted

that these had been considered by the Pension Fund Sub-Committee the previous week and would be reported back following the audit. The Director drew attention to the two minor corrections to the Statement of Accounts namely, that in the notes to the core financial statements (pg 104, line 3) '2007/8' should read '2008/9' and in the notes to the Housing Revenue Accounts (pg 109, line 2) '144 dwellings' should read '120 dwellings'. In summary, the Director advised that it was now for members to agree the report for submission to the Audit Commission for approval. Any material changes would be reported back as revisions for approval.

Members of the committee requested that efforts be made to circulate the Statement of Accounts earlier given the level of detailed consideration they felt was required. Concerns were expressed at the absence of an overall cost collection system, the effect of Financial Reporting Standard 17 (FRS 17) on pensions and the impact of the economic downturn on the evaluation of assets.

The Director responded that it had been anticipated that the Statement would be made available earlier and it was hoped that planned changes to the accounting system would help this in the future. He added that members were required to understand the main principles of the accounts, responsibility for accuracy rested with him. On the accounting system, a single system was planned to be introduced by April 2010. Regarding FRS 17 the Director explained that it was an annual calculation affected mainly by staff longevity and asset values, which varied yearly, but did not impact directly on Council Tax payers. The Director also responded that the council was not able to opt out of final salary schemes but advised that a consultation document had been circulated recently on how to ensure the Local Government Pension Scheme remained affordable in the medium and long term.

The committee noted that the Audit Committee had detailed discussions on the issues, that adequate systems were in place and arrangements were being made for public consultation. The committee agreed the report.

RESOLVED:

- (i) that the Audit Commission's Audit Opinion Plans be noted;
- (ii) that the 2008/09 Statement of Accounts be approved and forwarded to the Audit Commission for audit;
- (iii) that the Chair sign the Statement of Accounts.

(In accordance with the provisions of Standing Orders, Councillor Dunwell asked that his dissent from the above decisions be recorded).

6. **Flexible and early retirement**

The report from the Director of Business Transformation introduced a new policy for flexible and early retirement which brought together and

amended existing retirement provisions for employees that are members of the Local Government Pension Scheme and set out new proposals for a new Flexible Retirement policy for such employees. Councillor Sneddon (Lead Member, Human Resources and Diversity, Local Democracy and Consultation) advised that the policy was part of an on-going review and that, following a standard application process, the final decision would rest with the Director of Finance and Corporate Resources.

The Pensions Manager set out the advantages and disadvantages of the existing policy which was cost neutral. With the introduction of tax changes in 2006, it was now felt to be in both the council's and staff's interests for a flexible retirement policy, for which robust procedures would be in place. The policy would require the employee to remain under the terms of the flexible retirement policy for a minimum 12 month period.

Members sought views on the recent European Court judgement that the compulsory retirement age of 65 was not in breach of EU rules on age discrimination, given the current financial position of the pension fund and increasing age longevity. The Pensions Manager responded that consultation was currently taking place at a local and national level, which contained a number of options including the extension of retirement and additional employee contributions. Questions were also raised on how consistency in the decisions on flexible retirement would be ensured, what advice would be available for staff and whether sabbaticals were being considered. Members were advised that a database would be established to allow the drawing of comparisons and individuals could consult payroll for information on what would be in their best interests. It was agreed that a report back on the operation of the policy be submitted in a year's time.

RESOLVED:

- (i) that the Flexible and Early Retirement policy and procedure appended to the report from the Director of Finance and Corporate Resources be approved;
- (ii) that the policy statement, set out in paragraph 4.11 of the report relating to the operation of the policy, be approved. .

7. Brent Council's representation on Outside Bodies

The report from the Borough Solicitor set out the conclusions of the review of appointments made by the council to outside bodies. The report set out a number of recommendations to assess requests for council appointments and a process for members to report back on the activities of the outside body.

RESOLVED:

- (i) that the findings of the review of appointments to outside bodies be noted;

- (ii) that it be noted that as a result of the review the Council no longer appoints representatives to a number of outside bodies which are set out in appendix 2 to the report from the Borough Solicitor;
- (iii) that the process for assessing new requests for appointments to outside bodies as set out in paragraph 3.10 of the Borough Solicitor's report, be approved;
- (iv) that updated guidance for members appointed to outside bodies be circulated to members following consideration of the guidance by the Standards Committee;
- (v) that the annual reporting procedures take effect for the 2009/10 municipal year.

The meeting ended at 8.10 pm.

A John
Chair