



LONDON BOROUGH OF BRENT

MINUTES OF THE GENERAL PURPOSES COMMITTEE Held in the Conference Hall, Brent Civic Centre on Wednesday 15 January 2025 at 9.30 am

PRESENT: Councillor M Butt (Chair), Councillor M Patel (Vice-Chair) and Councillors Donnelly-Jackson, Grahl, Nerva, Rubin and Krupa Sheth.

Also present: Councillors Maurice

1. Apologies for absence and clarification of alternate members

Members were advised that Councillor Grahl was attending the meeting in place of Councillor Tatler with a vacancy also currently existing for the Liberal Democrats member on the Committee.

No other apologies or notification of alternative membership had been received.

2. Declarations of interests

There were no declarations of interests made during the meeting.

3. Deputations (if any)

There were no deputations received.

4. Minutes of the previous meeting

It was **RESOLVED** that the minutes of the previous meeting held on Monday 15 July 2024 be approved as a correct record.

5. Matters arising (if any)

There were no matters arising.

6. Presentation of a petition - Invest not Divest

6.1 Presentation of a Petition – Invest not Divest

Councillor Muhammed Butt (as Chair) welcomed Karen Flaum to the meeting, who had been invited to speak in support of a petition containing 179 signatures calling on the Council to reject a petition presented to the Council on the 19 September 2024 by the Brent and Harrow Palestine Solidarity Campaign regarding divestment and requesting that the Council instead maintain its current investment policy.

In thanking the Chair for the opportunity to address the Committee, Karen Flaum began by advising that the petitioners were calling on the Council to reject the

petition presented by the Palestine Solidarity Campaign (PSC) on the grounds that the determination of foreign policy was the responsibility of the UK government. The petitioner questioned whether a local council possessed the necessary tools and systems to make accurate judgements on complex foreign conflicts, particularly in relation to the Middle East, with the Council's focus instead needing to be on determining local policies on good governance, in accordance with the powers conferred upon it by UK legislation.

In further support of the petition, Karen Flaum referenced decisions made by Hackney Council's Pension Committee in July 2024 who had rejected the Boycott, Divestment, Sanctions (BDS) movement and Islington Council's Pension Committee who had advised against divestment targeting Israel. Both Committees had found such actions to be divisive, unlawful, and expensive and likely to involve the risk of significant financial detriment and a costly process of consultation with Fund Members, who were likely to have strong opinions on both sides. The petition presented to the September 2024 Council meeting was also felt to be contrary to the fiduciary duty to ensure that Pension Fund was properly managed and free from political views and influences. Reference was made to Section 17 of the Local Government Act 1988 and the Public Contract Regulations 2015 which stated that a decision not based on financial, or investment reasons could result in the council facing a judicial review challenge, posing financial and reputational risks to the Pension Fund and Council.

The petitioners also highlighted that failure to have due regard to the propensity of boycotts and divestments that were seen to promote hostility and persecution of the Jewish Faith would be contrary to the Public Sector Equality Duty under Section 149 of the Equality Act 2010. On this basis, Karen Flaum advised that the petitioners had felt the petition presented to the Council meeting in September 2024 to be misleading, divisive and antisemitic including false allegations against Israel. As an example, it was pointed out that the International Court of Justice in January 2024 had not ruled there was plausible evidence that Israel was causing genocide. The court had ruled that Palestinians had a plausible right to be protected from genocide on the same basis as all citizens. It had not decided that there was plausible cause with the petition presented by the Brent & Harrow PSC, it was also pointed out, having omitted reference to the genocide and the abduction of hostages carried out by Hamas on 7 October 2023 which had led to the current conflict.

Karen Flaum also took the opportunity to highlight the rise in antisemitism across the UK since 7 October 2023, which it was felt the same PSC petition being presented to Councils across the UK had reinforced, creating discord and division with many Jewish schools (as an example) including those in Brent, now requiring additional security and an attack during the PSC's week of action on a JFS school bus which left pupils traumatised.

As a result, Karen Flaum advised that the petitioners were calling on the Council:

- To ensure that Brent Council's Pension Fund Sub-Committee invested in any company worldwide to obtain the best possible return on those investments for the benefit of Brent Council's Fund Members.

- To act in the best interest of the safety of all Brent's pupils, both inside and outside of their schools.
- To act in accordance with its equity, diversity, and inclusion strategy for 2024-2028.
- To honour the words of the Mayor (Councillor Tariq Dar) expressed at the 19 September 2024 Council meeting in seeking to ensure that Brent remained a harmonious, inclusive borough where people of all faiths, no faith, and all ethnic backgrounds could live in peace and cooperation, as obligated by the Equality Act 2010.

In concluding the presentation, Karen Flaum therefore urged councillors and officers to prioritise local issues over global ones, emphasising that the Council's focus should remain on addressing key issues impacting residents of the borough, such as housing and highways and on the interests of members of the Brent Pension Fund.

Having thanked Karen Flaum for presenting the petition, Councillor Muhammed Butt then invited Councillor Milli Patel, as Vice Chair and Deputy Leader and Cabinet Member for Finance and Resources, to provide a brief response.

In responding, Councillor Milli Patel began by highlighting that Brent Council took its responsibility to invest the pension fund ethically with the utmost seriousness. In terms of the actions being sought within the petition, the opportunity was taken to outline the way in which the Council was already seeking to deliver an ethically responsible Pension Fund investment strategy. Whilst working hard to deliver this approach, it was pointed out this also needed to be balanced against a fiduciary duty to ensure the fund performed well, providing long term stable returns for the scheme members who relied on it. This would also need to take account of heightened market volatility in the global economy as well as the aim to seek out stable and ethical investments. Councillor Mili Patel acknowledged the urgent need for a fair and equitable transition away from fossil fuels, as well as the moral imperative of moving away from investments in arms companies or businesses profiting from human suffering. With an overall value of £1.25 billion, it was noted that the pension fund was responsible for 7,367 active pensioners, 8,454 deferred pensions, and approximately 6,545 current contributors. It was emphasised that regardless of individual political views, it was imperative to ensure that investments safeguarded the security of the fund.

Councillor Mili Patel also referred the petitioners to her previous statement on the matter, which outlined the Council's approach to investments and commitment to conducting a full audit of allocations in line with the UN's Principles for Responsible Investment. This audit was in progress, and a more comprehensive update would be provided once budget discussions had concluded in Spring 2025. At the same time, the opportunity was also taken to remind the petitioners of the restrictions on procurement under Section 17 of the Local Government Act 1988 which meant the Council could not exclude potential contractors because of trading connections they may have with particular countries or terrorists. In acknowledging that this matter was a developing and sensitive issue, Councillor Mili Patel ended by affirming the Council's willingness to continue engaging with residents, community groups, and staff to ensure careful stewardship of investments.

In response to concerns regarding the safety of pupils travelling to and from schools in Brent, Councillor Grahl (as Cabinet Member for Children, Young People & Schools) provided reassurance that the violent attack on a JFS school bus had been investigated by the Safer Transport Team. The Community Safety Team had requested that the police contact Jewish schools in Brent to ascertain any specific safety concerns, with the Council having maintained a close relationship with all schools in Brent, including the four Jewish schools. Members were pleased to note that there had been no reports of any further incidents involving those schools.

In thanking Karen Flaum for presenting the petition Councillor Muhammed Butt (as Chair) advised that the concerns raised had been noted with an assurance provided that Council would continue to focus on the need to ensure that any decisions taken in relation to Pension Fund investments remained lawful and in the best interest of the Pension Fund and its members.

7. Council Tax Base 2025

Councillor Mili Patel, Vice Chair and Deputy Leader & Cabinet Member for Finance & Resources, introduced the report from the Corporate Director of Finance and Resources setting out the Council Tax base for 2025-26 in order to enable the Council to fulfil its statutory role under the Local Government Finance Act 1992 (as amended).

Members noted that calculation of the Tax Base was based on a formula involving two elements:

- a. the number of taxable properties shown as “Band D equivalents”; and
- b. the expected collection rate for the year.

In considering the report the following issues were raised by the Committee:

- Assurance was sought that the calculation for the number of taxable properties had included an accurate forecast for the number of new housing developments across the borough. In response, Michael Almond (Senior Finance Analyst) stated that the planning team had been consulted to gather data on houses being built and their expected completion dates. Currently, officers were working on the basis of Local Plan targets with a further update due to be provided as part of the review of the Medium-Term Financial Strategy (MTFS) scheduled later in the year.
- Details were also sought regarding the impact of council tax debt on calculations and the overall financial position of the Council. In response, Rav Jassar (Deputy Director of Finance) highlighted the importance of the collection rate and adjustments made over previous years to take into account economic factors (including the impact of the pandemic) that had affected actual collection in-year and the longer term effect on collection for the remaining debt outstanding. Given the longer than anticipated recover in collections rates following the pandemic, further adjustments had been made for 2025-26, which would need to be reflected in the budget proposals being presented to Cabinet and Full Council in February 2025.

Members recognised and supported the prudent nature of the assumptions being made and as a result, it was **RESOLVED**:

- (1) That the Band D equivalent number of properties be calculated, as detailed within the report, in accordance with the Government regulations.
- (2) That the collection rate for Council Tax for 2025-25 be set at 97.0%.
- (3) That subject to (1) and (2) above, a Council Tax Base for 2025-26 of 108,617 Band D equivalent properties (after collection rate allowance deduction) be approved.
- (4) To delegate authority to the Corporate Director, Finance and Resources to approve the revised tax base as detailed in section 7.3 of the report in the circumstances specified in section 7.3 of the report.

8. Employer Pension Discretions Policy

Councillor Mili Patel, Vice Chair and Deputy Leader and Cabinet member for Finance & Resources, introduced a report from the Corporate Director Law & Governance which presented an updated Employer Pension Discretions Policy.

In presenting the report the Committee was advised that the Policy had been updated in order to facilitate better decision-making and improved employee relations with employers required (in accordance with the Local Government Pensions Scheme Regulations 2013) to keep their discretions policy under periodic review. Members were advised that the refreshed Employer Pension Discretions Policy outlined 20 selected discretions (as opposed to only the four required under regulations) designed to create a framework that would assist the Council in managing its relationship with employees and controlling its budget. Additional details on how the Council proposed to exercise its employer discretion had been provided in Appendix 1 to the report.

Following the presentation of the report, Musrat Zaman (Director of Human Resources and Organisational Development) emphasised that, under the Employer Pension Discretions Policy, there were only specific circumstances under which employers could exercise its discretion, which included flexible retirement and redundancy. This approach assisted in managing staff expectations and clarified the conditions under which they could appeal decisions.

Having thanked Councillor Mili Patel and Musrat Zaman for introducing the report, the Chair then moved on to invite questions and comments from the Committee, with the following comments and issues discussed:

- In response to clarification being sought regarding the consultation and engagement with Trade Unions on the updated Policy, Musrat Zaman advised that whilst not yet having been formally consulted a meeting had been scheduled to take place in the near future to discuss the proposed update of the policy. Whilst noting the Policy contained no significant change in approach, members were keen to emphasise the importance in ensuring the Trade Unions were consulted, moving forward, at as early a stage as possible.

- Members also sought clarification about the potential impact of the Employer Pension Discretions Policy on employees' expectations regarding redundancy and voluntary redundancy. In response, John Smith (Pensions Manager) clarified that the discretions had no impact on the existing redundancy scheme. The Policy provided an overview of the types of discretion and how the Council intended to exercise these discretions with each case continuing to be assessed on its own merits to manage expectations and protect budgets.
- Further details were sought in relation to the Employer Pension Discretions Policy concerning applications for the early payment of pension benefits on compassionate grounds due to reasons including chronic illness or disability, with members keen to ensure that the requirement to submit supporting evidence avoided imposing additional strain on employees seeking to exercise this discretion. Members questioned whether reasonable adjustments in regard to the application process could be incorporated into the Policy. In response, John Smith (Pensions Manager) emphasised that applications on compassionate grounds were primarily intended for employees with caring responsibilities. However, if an employee was applying on their own behalf, they would do so under the Ill Health Retirement Regulation, which was supported through Occupational Health and did not fall within the scope of the Employer Pension Discretions Policy.

In order to provide further clarification and address the concerns highlighted Kim Wright (Chief Executive) recommended that reference be added to Section 6 of the policy to clarify that reasonable adjustments would be taken into account as part of the process in submitting applications on compassionate grounds requiring the submission of additional supporting information. In concluding consideration of the matter, the Musrat Zaman confirmed that the Employer Pension Discretions Policy adhered to legal and statutory obligations, while also considering the financial management of the pension and other relevant factors.

- In response to further details sought regarding the aggregation of pension benefits under the Employer Pension Discretions Policy John Smith (Pensions Manager) advised that several regulations governed this matter, including those enacted in 2008 and more recently in 2013. It was clarified that, prior to 2014, employees wishing to transfer their LGPS benefits to a new employer were required to make a positive election to do so. However, post-2014, the aggregation of pension benefits became automatic unless the employee opted out of the transfer. It was additionally noted that separate aggregations existed for concurrent employment, although the underlying principles generally remained the same.

In thanking officers for the responses and clarification provided, it was **RESOLVED** to note the pension discretions contained within the policy and approve (subject to incorporation of the additional comment made in relation to applications on compassionate grounds) their adoption in line with Local Government Pension Scheme (LGPS) regulations.

9. **Appointments to Sub-Committees**

No membership changes were identified for consideration at the meeting.

10. **Exclusion of Press and Public**

There were no items that required the exclusion of the press or public from the meeting.

11. **Any other urgent business**

No items of urgent business were raised at the meeting.

The meeting closed at 9.58 am

COUNCILLOR MUHAMMED BUTT
Chair