

minutes



Meeting PENSIONS ADMINISTRATION SUB-COMMITTEE

Date Monday, 24th October 2005 (commencing at 10.00 am)

membership

Persons absent are marked with `A`

COUNCILLORS

John Carter (Chair)

Darrell Pulk (Vice-Chair)

	M J Cox	A	Sheila Place
	Mrs Kay Cutts	A	Ken Rigby
A	Paul Henshaw		Stella Smedley
A	James O'Riordan		John Stocks
	Thomas A Pettengell		David Taylor

NOTTINGHAM CITY COUNCIL

A Councillor B Parbutt
Mr M Evans

NOTTINGHAMSHIRE LOCAL AUTHORITIES' ASSOCIATION

A Councillor Milan Radulovic

TRADE UNIONS

Mr A Ackerman
A Mr J Dunstan

PENSIONERS

Mrs E Bradford
Mr T V Needham

SCHEDULED BODIES

Vacancy

MINUTES

The minutes of the last meeting held on 12th September 2005, having been circulated to all Members, were confirmed and signed by the Chair.

APOLOGIES FOR ABSENCE

Apologies for absence were received from:-

Councillor Sheila Place
Councillor Ken Rigby

Councillor Milan Radulovic

DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

Although not declaring his interest at this stage in the Sub-Committee's proceedings, Councillor John Stocks later declared a personal and prejudicial interest in agenda item number 4 – Update on the Deputy Prime Minister's Tripartite Committee – by virtue of his appointment by the County Council as a member of the Employers' Organisation.

PENSIONS – UPDATE ON THE DEPUTY PRIME MINISTER'S TRIPARTITE COMMITTEE

Councillor John Stocks left the room prior to discussion on this item.

The Director of Resources summarised the Employers' proposals for a new Local Government Pension Scheme (LGPS) proposed to be effective from April 2006. He said that these proposals seemed to go further than those made last year, prior to the Revocation Regulations, and he highlighted the suggestion of no phased protection for older workers as being possibly the most significant aspect. He said that this paper was not intended as formal consultation upon which the Sub-Committee was required to form a view, as this process was likely to be undertaken in November of this year. In the circumstances, therefore, the Chair suggested that any comments made by Members could be taken into account by the Director when responding to this formal consultation.

On the basis of the current proposals for a new LGPS, Members made the following comments:-

- reference was made to the recent agreement made with other public sector workers with regard to future pension provision and it seemed only fair and reasonable that any settlement for the LGPS should be on the same basis; if this was not the case, then the prospect of the funded LGPS Scheme being in a worse position than other unfunded schemes was a real possibility
- on balance, it was felt that the proposal to increase contributions in the next 2 financial years could be supported as long as existing benefits were not affected; in this connection, there was also the issue of a lack of clarity as to

what happened after 2006/07

- further clarification was provided concerning the “85 year rule” – reinstatement of this under the Revocation Regulations was estimated to cost in the region of £400 million and it was proposed to again remove it from the LGPS to deal with age discrimination legislation to be effective from October 2006; it was pointed out, however, that Government legislation was required to effect of these changes
- reference was made to Mr Crossley’s attendance at the Annual Meeting of the Pension Fund held earlier in the month when his presentation made no mention of the final salary aspect of the existing LGPS being retained in the proposed new scheme and
- the prospect of a “double standard” LGPS after 2006 could not be discounted.

In conclusion, the Chair asked the Director to have regard to the above comments and any additional comments that Members may have on further reflection in any response to formal consultation that might need to be made prior to the next meeting.

RESOLVED: 2005/014

1. That the report be noted and
2. that the Director of Resources be asked to take account of the points raised in discussion in any response to formal consultation on proposals for a new LGPS.

Councillor Stocks returned to the meeting.

RETIREMENT ANNUITY SERVICE

The Director of Resources explained the basis of the proposed annuity service provided by Hargreaves Lansdown, particularly the commission arrangements.

Members were in favour of progressing the proposal, but on the basis of the Pensions Office dealing directly with the retiring Member rather than passing details to the provider.

RESOLVED: 2005/015

That the Pensions Committee be recommended to approve the engagement of Hargreaves Lansdown to provide the retirement annuity service to retiring members of the LGPS on the basis set out in the report and as referred to above.

COMMUNICATIONS STRATEGY

The Director of Resources referred to the development of this Strategy by his staff, which had been reported on to the Annual Meeting of the Fund earlier in the month. The purpose of the report to the Sub-Committee was to seek any views that Members might have on the direction that the Strategy might take.

Members made the following comments:-

- there appeared to be a need to address the point made at the Annual Meeting about the non-delivery of Nest Egg in certain areas of the County as this seemed to be a problem regularly raised; in the circumstances the Director was asked to again check how much it would cost to post to everyone's home address
- clarification was sought on the provision of benefit statements for Councillors; in response, the Director assured Members that he would pursue this matter
- the current practice of providing one issue of Nest Egg for both active members and pensioners was preferred and
- it was agreed that the request for a separate meeting for pensioners, as referred to in paragraph 3.5 of the report, was a good idea and should be pursued; in this connection, Pensioner representatives on the Sub-Committee were asked to liaise with the Director to draw up a draft agenda for such a meeting and report back to the Sub-Committee with proposals.

RESOLVED: 2005/016

1. That the report be noted;
2. that the Director of Resources take into account the comments made by Members, as set out above, in the development of the Communications Strategy and
3. that it be noted that a further report would be made to the Sub-Committee on finalisation of the Strategy and the review of the organisational structure of the Pensions Office referred to in the report.

NOTTINGHAMSHIRE PENSION FUND – INTERIM ACTUARIAL REVIEW

The appendix detailing the revocation costs by employer was circulated at the meeting. It was noted that the content of this appendix did not take account of the recent improvement in investment performance further to the comments made in paragraph 2.9 of the report.

RESOLVED: 2005/017

That the report be noted.

The meeting closed at 10.45 am.

CHAIR

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