

minutes



Meeting PENSIONS ADMINISTRATION SUB-COMMITTEE

Date Friday, 21st May 2004 (commencing at 10.00 am)

membership

Persons absent are marked with `A`

COUNCILLORS

J Carter (Chair)

D E Pulk (Vice Chair)

	T H Butler		John R Stocks
	Mrs K L Cutts	A	David Taylor
	Tom Pettengell		Maureen Tewson
A	R A Poynter	A	M Warner
A	Mrs V A Smailes		

NOTTINGHAM CITY COUNCIL

A Councillor B Parbutt
A Director of Finance

NOTTINGHAMSHIRE LOCAL AUTHORITIES' ASSOCIATION

A Councillor G Gilfoyle

TRADE UNIONS

A Mr A Ackerman
Mr J Dunstan

PENSIONERS

Mrs E Bradford
Mr T V Needham

SCHEDULED BODIES

A Mr R E Bowater

MINUTES

The minutes of the last meeting held on 20th February 2004, having been circulated to all Members, were confirmed and signed by the Chair.

The Director of Resources reported that with regard to the discussion on the production of benefit illustrations for 2004/05 he had now had the opportunity to take legal advice on the matter raised at the last meeting. This advice confirmed that, as the County Council was under a statutory requirement to draw appropriate information to the attention of pensioners, then the suggestion made previously was acceptable subject to pensioners being given the opportunity not to receive Nest Egg. The additional cost associated with distributing Nest Egg to home addresses was in the region of £3,700 per issue. Members agreed that this was good value for money and the Director indicated that he would amend his processes accordingly.

APOLOGIES FOR ABSENCE

Apologies for absence were received from:-

Councillor David Taylor)	
Councillor M Warner*)	Nottinghamshire County Council
Councillor G Gilfoyle*	-	Nottinghamshire Local Authorities' Association
Mr R E Bowater	-	Scheduled Bodies

* denotes on other County Council business

DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

There were no declarations of interest made by Members or Officers.

LOCAL GOVERNMENT PENSION SCHEME (AMENDMENT) (NO 2) REGULATIONS 2004

The Director of Resources advised the Sub-Committee on the details of the Government's proposals to amend the Local Government Pension Scheme Regulations with effect from 1st April 2005. These proposals were referred to in section 3 of his report and he confirmed that for the vast majority of current pension scheme members the proposals would give rise to a reduction in the range and depth of benefits which members had been led to expect and had been contributing to for many years.

He referred the Sub-Committee to the appendix to the report where the letter from the Office of the Deputy Prime Minister indicated that the proposed changes were relevant to the affordability of the current Scheme. It was the Director's view however that, in financial terms, the proposed changes were relatively minor and certainly did not address affordability issues. In support of this, he reported on recent County

Council early retirement figures where in 2002/03 there had been 25 redundancies and 12 retirements in the interests of the efficiency of the service and in 2004/05 the figures were 24 and 13 respectively. This he felt put the situation in a proper context.

The Director also commented that suggestions which the Sub-Committee had raised in earlier consultation were not mentioned in the current proposals; these included such issues as increasing the employee contribution, flexible retirement, simplification of administrative arrangements and actuarial reductions for early retirements.

Members were unanimous in their strong and total opposition to the proposals which they agreed would lead to the erosion of benefits referred to by the Director of Resources. During the debate the following points were made:-

- It was extremely unfair that members of staff who had been in the Scheme for 20 or 30 years would be treated the same as someone joining the Scheme tomorrow
- there were potential contractual issues in terms of the changes to benefits proposed
- it was equally unfair that these proposals were not being applied across all public sector pension schemes at the same time. Trade Union representatives feared that the erosion of pension benefits, together with the impact of the recent Hay/job evaluation exercise, could give rise to a future recruitment and retention problem for the County Council.

The Sub-Committee was also of the view that pension scheme members should be advised of current developments and also of the Sub-Committee's views on the matter so that members could determine their approach to the issue.

Following full discussion, it was:-

RESOLVED:-
2004/003

- 1) That the Director of Resources respond to the proposed amendments to the Local Government Pension Scheme Regulations setting out the Sub-Committee's strong concerns as detailed above and
- 2) that steps be taken to communicate the current situation to pension scheme members.

**LOCAL GOVERNMENT PENSION SCHEME REGULATIONS 2004 – REVISION
TO THE INTERNAL DISPUTE RESOLUTION PROCEDURE**

RESOLVED:-
2004/004

That the Pensions Committee be recommended to approve the arrangements for discharging the second stage of the Internal Dispute Resolution Procedure as detailed in the report.

The meeting closed at 10.35 am.

CHAIR

Pensions\admin\m_21May04