



NOTTINGHAM CITY COUNCIL
APPOINTMENTS AND CONDITIONS OF SERVICE COMMITTEE

Date: Tuesday, 3 November 2015

Time: 2.00 pm

Place: LB 31 - Loxley House, Station Street, Nottingham, NG2 3NG

Councillors are requested to attend the above meeting to transact the following business

Corporate Director for Resilience

Governance Officer: Zena West **Direct Dial:** 0115 8764305

AGENDA

Pages

- | | | |
|----------|--|--------|
| 1 | APOLOGIES FOR ABSENCE | |
| 2 | DECLARATIONS OF INTERESTS | |
| 3 | MINUTES
Last meeting held 8 September 2015 (for confirmation) | 3 - 4 |
| 4 | CHANGES TO MEMBERSHIP
To note:
Councillor David Mellen has been replaced by Councillor Sam Webster
Councillor Alex Norris has been replaced by Councillor Dave Trimble | |
| 5 | EARLY RETIREMENT MONITORING REPORT 2014/15
Report of Strategic Director Organisational Transformation | 5 - 12 |
| 6 | EXCLUSION OF THE PUBLIC
To consider excluding the public from the meeting during consideration of the remaining items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. | |

7 PAY AND REWARD REVIEW
Report of Strategic Director Organisational Transformation

To Follow

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE GOVERNANCE OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT WWW.NOTTINGHAMCITY.GOV.UK. INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.

NOTTINGHAM CITY COUNCIL

APPOINTMENTS AND CONDITIONS OF SERVICE COMMITTEE

MINUTES of the meeting held at LB32 - Loxley House, Station Street, Nottingham, NG2 3NG on 8 September 2015 from 14.01 - 14.57

Membership

Present

Councillor Dave Liversidge (Chair)
Councillor Toby Neal (Vice Chair)
Councillor Eunice Campbell
Councillor Graham Chapman
Councillor Alan Clark
Councillor Jon Collins
Councillor Jane Urquhart

Absent

Councillor Georgina Culley
Councillor Nicola Heaton
Councillor David Mellen
Councillor Alex Norris

Colleagues, partners and others in attendance:

Ian Curryer - Chief Executive, Nottingham City Council
Shaune Loughlin - HR Business Partner
Andy Vaughan - Director for Neighbourhood Services
Zena West - Governance Officer

18 APOLOGIES FOR ABSENCE

Councillor Alex Norris – other business.

19 DECLARATIONS OF INTERESTS

None.

20 MINUTES

The minutes of the meeting held on 7 July 2015 were confirmed and signed by the Chair.

21 ESTABLISHING ADDITIONAL RESOURCE TO COORDINATE AND LEAD THE DELIVERY OF THE STRATEGIC REGENERATION PROGRAMME

Ian Curryer, Chief Executive, presented a report on establishing additional resource to coordinate and lead the delivery of the strategic regeneration programme, highlighting the following points:

- (a) the resource surrounding strategic regeneration was an area highlighted during the Chief Executive's Review as one that needed additional focus to support the delivery of the capital programme;
- (b) the report seeks permission to recruit on a 2 year fixed-term contract to deliver an ambitious capital programme. If a 3rd year is required, this will come back to ACOS for further approval;

- (c) there are 12 posts within the service area that this new post would coordinate, it is not anticipated that additional resources will be needed beyond those 12 posts;
- (d) the post will be funded out of regeneration schemes, and will not be a drain on Nottingham City Council resources.

Following questions and comments from the Committee, the following information was provided:

- (e) this post currently exists on an interim basis, but due to the cost of filling a role in this way, is currently only funded on a part time basis. If the post were funded as a 2 year fixed term contract, the reduced cost would mean it could be filled full time. This would mean the post holder could be more effective at resolving current issues with the projects. The interim post is currently funded by charging to the schemes;
- (f) not every scheme is expected to break even. Proper management input can ensure greater control. The new post holder would have judgements to make on the viability of schemes. The Committee asked that this be added to the job description;
- (g) a blended funding model should be explored to ensure that the Capital Programme is not burdened with additional costs. The division should consider funding the role and explore alternative funding sources.

RESOLVED, subject to a review of the funding sources to offset costs against the Capital Programme, and revising the job description of the post to include the ability to make judgements on the financial viability of schemes, to establish the post of Strategic Regeneration Coordinator.

22 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, as defined in paragraphs 1, 2, 3, 4 and 5 of Part 1, Schedule 12A of the Act.

23 CHIEF EXECUTIVE'S REVIEW

Ian Curryer, Chief Executive, presented a report on the Chief Executive's Review.

RESOLVED to approve the recommendations as set out in the exempt report.

24 CORPORATE DIRECTOR COMMERCIAL AND OPERATIONS

Andy Vaughan, Strategic Director Commercial and Neighbourhood Services, gave a presentation on the Corporate Director Commercial and Operations.

RESOLVED to approve the recommendations as set out in the exempt report.

APPOINTMENTS AND CONDITIONS OF SERVICE COMMITTEE
3 NOVEMBER 2015

Title of paper:	EARLY RETIREMENT MONITORING REPORT 2014/2015	
Director(s)/ Corporate Director(s):	Angela Probert Strategic Director of Organisational Transformation	Wards affected: ALL
Report author(s) and contact details:	Gail Keen, HR Consultant Telephone Number: 0115 8763612 Email: gail.keen@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Andy Cross – Pensions Consultant Beverley Bull – Finance Analyst John Bernard-Carlin – Team Leader, Legal Services Della Sewell – Employee Relations Manager Bridget Donoghue – Head of HR	
Date of consultation with Portfolio Holder(s) (if relevant)		
Relevant Council Plan Strategic Priority:		
Cutting unemployment by a quarter		<input type="checkbox"/>
Cut crime and anti-social behaviour		<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City		<input type="checkbox"/>
Your neighbourhood as clean as the City Centre		<input type="checkbox"/>
Help keep your energy bills down		<input type="checkbox"/>
Good access to public transport		<input type="checkbox"/>
Nottingham has a good mix of housing		<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs		<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events		<input type="checkbox"/>
Support early intervention activities		<input type="checkbox"/>
Deliver effective, value for money services to our citizens		<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
This report, which is for annual reporting purposes, is for noting. It details the number, type and pension strain cost of early retirements for the period 1 April 2014 to 31 March 2015.		
Recommendation(s):		
1	To note the monitoring information contained within the report and the appendices.	

1. REASONS FOR RECOMMENDATIONS

1.1 The report is brought to this Committee for noting purposes.

2. BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 A breakdown of all retirements for 2014/15 is provided in Appendix 1 including comparator information with previous years. The total number of retirement cases with a pension has increased to 182 in 2014/15 from 176 in 2013/14. There has been an increase in the number of colleagues taking early retirement (from 98 cases in 2013/14 to 127 cases in 2014/15) and normal retirement (from 22 cases in 2013/14 to 38 cases in 2014/15). However, numbers have decreased in the categories of

redundancy (34 cases in 2013/14 to 18 cases in 2014/15), and ill health (15 cases in 2013/14 to 14 in 2014/15).

- 2.2 From 1 April 2014, changes to the Local Government Pension Scheme were implemented, one of which is that current or former employees aged 55-60 wishing to access their pension benefits early no longer need the Council's consent in order to do this. However, the decision to take this route into early retirement will now result in the benefits the employee receives on retirement being reduced on an actuarial basis to take into account the fact that their benefits are being drawn earlier and for longer.
- 2.3 In order for benefits to remain unreduced, the actuarial reduction may be waived at the Council's discretion (normally exercised by the Chief Executive); therefore in such cases consent must still be sought. There was one early retirement requiring employer consent in this reporting period, which was an approved early release of deferred pension, with no pension strain, as a result of a previous redundancy where the employee was aged below 55 at the time.
- 2.4 The number of colleagues choosing to retire between the ages of 55 and 64 (one of the categories of early retirement) increased in this reporting period. In 2013/14 98 colleagues took early retirement compared to 127 in 2014/15. However unless the employee meets the '85 year rule' and they are aged 60+ there will be an actuarial reduction in the benefits they receive.
- 2.5 Flexible retirement enables an employee who has reached the age of 55 to draw their pension benefits whilst remaining in employment on reduced hours or pay. Although there is no pension strain cost associated with flexible retirement for colleagues aged 60 or over, employer consent is required in all instances subject to a business case. Out of the 36 flexible retirements approved in this reporting period, there were no cases where pension strain costs were incurred.
- 2.6 Ill-health retirements accounted for 7.7% (14 cases out of 182) of all retirements which has only decreased slightly from the previous year, when they accounted for 8.5% (15 cases out of 176). There is no pension strain for ill-health retirement where costs are taken into account when the 3 yearly actuarial valuation calculations for employer contributions is made.
- 2.7 In this reporting period, there have been no retirements under the category of efficiency.
- 2.8 9.9% (18 cases) of all retirements were classed as redundancy where pension strain costs applied (dependent on the age of the employee when they retired). This is a continued downward trend on previous years, which has seen the number of cases fall from 56 in 2012/13 to 34 in 2013/14 and 18 for the current reporting period.
- 2.9 There have been 2 deaths in this reporting period where a pension entitlement arose.
- 2.10 Appendix 2 shows the pension strain cost to the pension fund broken down by department for 2014/15 including comparator information with previous years. All pension strain costs in this reporting period were due to colleagues exiting the Council under redundancy.

- 2.11 The Council has no control over the associated pension strain costs of redundancy as the pension scheme rules mean that an employee who is aged 55 or over automatically accesses their pension if they are dismissed by reason of redundancy. When dealing with voluntary redundancy requests, the Council takes account of all factors including cost implications such as pension strain costs when considering applications.

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 None

4. FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 Options to pay pension strain costs to the pension fund are as follows:

1. As a lump sum or
2. Equally over a three year period.

The lump sum option does not incur any interest and is the preferred option however; this is reviewed on an individual business case basis; the business case will include pension strain costs and supports the decision to make an early retirement.

5. LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 Legal Implications: The Background section of this report reflects the legal framework of the Local Government Pension Scheme (“LGPS”) as amended in recent years and demonstrates how the authority has applied this framework via its policies on retirement. Any future changes to the LGPS and/or age discrimination legislation could have an impact on the authority’s policies and future early retirements.

6. EQUALITY IMPACT ASSESSMENT

- 6.1 An equality impact assessment is not needed, as the report does not contain proposals or financial decisions.

7. LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

- 7.1 None

8. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 8.1 None.

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Retirement cases by type 2012-2015

	Retirement type	2012/13	%	2013/14	%	2014/15	%
Normal Retirement	Age 65 or 65+	46	21.6	22	12.5	38	20.9
		Flexible (0)		Flexible (0)		Flexible (4)	
Early Retirement	Age 60-64 (before April 2014) Age 55-64 (after April 2014)	82	38.5	98	55.7	110 (plus 17 redundancies)	69.8
		Flexible (20)		Flexible (26)		Flexible (32)	
	Efficiency	0	0	0	0	0	0
	Redundancy	56	26.3	34	19.3	18 (inc. 1 employer consent)	9.9
	Ill-Health	23	10.8	15	8.5	14	7.7
	Death	6	2.8	7	4	2	1.1
	Employer Consent (age 55-59)	0	0	0	0	(1) (Counted under redundancy)	0.5
Total Number of Flexible Retirements		(20)	(9.4)	(26)	(14.8)	(36)	(19.8)
Total		213		176		182	
<i>Note: Redundancy figure under early retirement not counted as would be double-counted with full redundancy figure.</i>							

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Pension Strain Costs 2012-2015

Departments	2012/13 No of Retirements	2012/13 Average Cost £	2013/14 No of Retirements	2013/14 Average Cost £	2014/15 No of Retirements	2014/15 Average Cost £
Resources	15	£21,746	6	£14,904	1	£558
Development	6	£9,427	1	£17,007	0	-
Chief Executive's Group	1	£11,637	0	-	0	-
Commercial & Operations	18	£15,346	17	£11,509	5	£63,650
Children & Adults	10	£15,146	6	£21,126	7	£12,055
Total Average Costs	N/A	£16,441	NA	£14,295	N/A	£31,015
Total Median Costs	N/A	£14, 250	N/A	£11,720	N/A	£15,968

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