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**Nottingham
City Council**

NOTTINGHAM CITY COUNCIL **APPOINTMENTS AND CONDITIONS OF SERVICE COMMITTEE**

Date: Tuesday, 2 January 2018

Time: 2.00 pm

Place: Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG

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

Corporate Director for Strategy and Resources

Governance Officer: Kate Morris **Direct Dial:** 0115 8764353

- 1 COUNCILLOR GEORGINA CULLEY**
- 2 MEMBERSHIP UPDATE**
To appoint Councillor Andrew Rule to the existing vacancy.
- 3 APOLOGIES FOR ABSENCE**
- 4 DECLARATIONS OF INTERESTS**
- 5 MINUTES** 3 - 4
Meeting held on 7 November 2017 for confirmation
- 6 EARLY RETIREMENT MONITORING REPORT 2016/17** 5 - 12
Report of the Director of HR and Transformation

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 Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 7 November 2017 from 2.00 pm - 2.06 pm

Membership

Present

Councillor Dave Liversidge (Chair)
Councillor Toby Neal (Vice Chair)
Councillor Sally Longford
Councillor Dave Trimble
Councillor Sam Webster
Councillor Ginny Klein

Absent

Councillor Eunice Campbell
Councillor Graham Chapman
Councillor Jon Collins
Councillor Georgina Culley
Councillor Linda Woodings

Colleagues, partners and others in attendance:

Nancy Barnard - Governance Manager
Richard Henderson - Director of HR and Transformation
Rachael Morris - HR Business Partner
Della Sewell - Employee Relations Manager

18 MEMBERSHIP UPDATE

The Committee noted the addition of Councillor Ginny Klein to its membership.

19 APOLOGIES FOR ABSENCE

Councillor Eunice Campbell – Other Council Business
Councillor Graham Chapman – Other Council Business
Councillor Georgina Culley – Unwell
Councillor Linda Woodings – Work Commitments

20 DECLARATIONS OF INTERESTS

None.

21 MINUTES

The minutes of the meetings held on 4 and 18 July 2017 were agreed as a correct record and were signed by the chair.

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.

23 EMPLOYMENT PROCEDURES FOR THE CHIEF EXECUTIVE AND SPECIFIC STATUTORY OFFICERS

Della Sewell, Employee Relations Manager, introduced the exempt report. The Committee noted that the related report on the changes required to support the proposals, intended to be considered at the November 2017 meeting of Full Council, will now be considered at the January 2018 meeting.

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

24 CHIEF EXECUTIVE'S URGENT DECISION - STATUTORY SECTION 151 OFFICER

The Committee considered the exempt report of the Chief Executive.

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

APPOINTMENTS AND CONDITIONS OF SERVICE COMMITTEE – 2 JANUARY 2018

Title of paper:	EARLY RETIREMENT MONITORING REPORT 2016/17	
Director(s)/ Corporate Director(s):	Richard Henderson Director of HR and Transformation	Wards affected: ALL
Report author(s) and contact details:	Gail Keen, HR Consultant Tel: 0115 8763612 gail.keen@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Andy Cross – Pensions Consultant Joanne Worster – Finance Team Leader Jon Ludford-Thomas – Senior Solicitor, Legal Services Della Sewell – Employee Relations Manager	
Date of consultation with Portfolio Holder(s) (if relevant)	N/A	
Relevant Council Plan Key Theme:		
Strategic Regeneration and Development		<input type="checkbox"/>
Schools		<input type="checkbox"/>
Planning and Housing		<input type="checkbox"/>
Community Services		<input type="checkbox"/>
Energy, Sustainability and Customer		<input type="checkbox"/>
Jobs, Growth and Transport		<input type="checkbox"/>
Adults, Health and Community Sector		<input type="checkbox"/>
Children, Early Intervention and Early Years		<input type="checkbox"/>
Leisure and Culture		<input type="checkbox"/>
Resources and Neighbourhood Regeneration		<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 2016 to 31 March 2017.		
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 2016/17 is provided in Appendix 1 including comparator information with previous years. The total number of retirement cases with a pension increased to 170 in 2016/17 from 168 in 2015/16. There has been a decrease in the number of colleagues taking early retirement (to 73 cases in 2016/17 from 90 cases in 2015/16) and only a very slight increase in the number of ill health retirements (14 in 2016/17 from 13 in 2015/16). The number of normal retirements have also decreased to 28 cases in 2016/17 from 39 cases in 2015/16. There was a steep increase in redundancy with pension (53 cases in 2016/17 from 24 cases in

2015/16); this is due to a significant restructure that took place within the Finance Service in the Strategy and Resources Department during this reporting period.

- 2.2 From 1 April 2014, changes to the Local Government Pension Scheme (LGPS) were implemented, one of which was 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 were no early retirements requiring employer consent in this reporting period.
- 2.4 The number of colleagues choosing to retire between the ages of 55 and 64 (one of the categories of early retirement) decreased in this reporting period. In 2016/17 73 colleagues took early retirement compared to 90 in 2015/16.
- 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 38 flexible retirements approved in this reporting period, there were no cases where pension strain costs were incurred.
- 2.6 Ill-health retirements accounted for 8.2% (14 cases out of 170) of all retirements which is a slight increase on the previous year, when they accounted for 7.7% (13 cases out of 168). There is no pension strain for ill-health retirement; instead 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 77% (41 out of 53 cases) of all retirements classed as redundancy had a pension strain cost applied due to the age of the employee when they retired (12 additional redundancies did not carry a pension strain). In these circumstances the pension strain is paid by the employer. The numbers in this category increased significantly this year to 41 from 22 in 2015/16. As at paragraph 2.1 above, this is primarily due to the Finance restructure within Strategy and Resources.
- 2.9 There have been 2 deaths in service 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 2016/17 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.
- 2.12 All retirement figures exclude those employees based in non-maintained schools and Academies, Nottingham Revenues and Benefits and Nottingham City Homes.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 None. The report is for noting only.

4 FINANCE COLLEAGUE 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.
- 4.2 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.

Joanne Worster
Finance Team Leader
16 November 2017

5 LEGAL AND PROCUREMENT COLLEAGUE 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.

Jon Ludford-Thomas
Senior Solicitor
16 November 2017

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISION RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE) (AREA COMMITTEE REPORTS ONLY)

- 6.1 N/A

7 EQUALITY IMPACT ASSESSMENT

- 7.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:
The report does not contain proposals or financial decisions.

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

8.1 None.

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 None.

Retirement cases by type 2016-2017

	Retirement type	2014/15	%	2015/16	%	2016/17	%
Normal Retirement	Age 65 or 65+	38	20.9	39	23.2	28	16.5
		Flexible (4)		Flexible (4)		Flexible (8)	
Early Retirement	Age 55-64	110 (plus 17 redundancies)	69.8	90 (plus 24 redundancies)	67.9	73 (plus 45 redundancies)	43.0
		Flexible (32)		Flexible (27)		Flexible (30)	
	Efficiency	0	0	0	0	0	0
	Redundancy	18 (inc. 1 employer consent)	9.9	24	14.3	53	31.2
	Ill-Health	14	7.7	13	7.7	14	8.2
	Death	2	1.1	2	1.2	2	1.2
	Employer Consent	(1) (Counted under redundancy)	0.5	0	0	0	0
Total Number of Flexible Retirements		(36)		(31)		(38)	
Total Number of Full Retirements		182		168		170	

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Pension Strain Costs 2016-2017

Departments	2014/15 No of Retirements	2014/15 Average Cost £	2015/16 No of Retirements	2015/16 Average Cost £	2016/17 No of Retirements	2016/17 Average Cost £
Strategy & Resources	1	£558	12	£33,672.79	22	£33,012.19
Development & Growth	0	-	0	-	1	£10,358.41
Chief Executive's Group	0	-	0	-	N/A	N/A
Commercial & Operations	5	£63,650	8	£16,194.88	10	£13,407.39
Children & Adults	7	£12,055	2	£4,166.70	8	£16,668.76
Total Average Costs	N/A	£31,015	N/A	£24,634.81	N/A	£24,489.04
Total Median Costs	N/A	£15,968	N/A	£17,336.51	N/A	£10,358.41

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