

## **COUNCIL FUNCTIONS COMMITTEE**

**23 JULY 2013**

Present: Councillor  
Councillor  
Councillors M Hofman, S Johnson, N Shah, P Taylor,  
M Turmaine and D Walford

Officers: Head of Human Resources  
Human Resources Officer  
Committee and Scrutiny Support Officer (JK)

### **1 APOLOGIES FOR ABSENCE/ COMMITTEE MEMBERSHIP**

There was a change of membership for this meeting; Councillor Johnson replaced Council Watkin.

### **2 DISCLOSURE OF INTERESTS (IF ANY)**

There were no disclosures of interest.

### **3 MINUTES**

The minutes of the meeting held on 28<sup>th</sup> February 2013 were submitted and signed

### **4 PENSIONS AUTO-ENROLMENT**

The Committee received a report of the Head of Human Resources which familiarised the Committee with Pensions Automatic Enrolment and the implications for Watford Borough Council. The report recommended that (a) transitional delay and (b) postponement be adopted by the Council.

The Head of Human Resources introduced the report. She explained the background to the report and the changes which would come into force on 1<sup>st</sup> January 2014. Under the new scheme, new employees would be formally registered in the LGPS before they could opt out. The Council could delay this scheme for existing staff under the transitional delay option until 30<sup>th</sup> September 2017. The main rationale for this would be financial. Many other local authorities had chosen this option.

Councillor Turmaine asked if the Council knew why some employees were not involved in the pension scheme. The Head of Human Resources noted that this was a personal choice and the Council would not necessarily know the reason why. She added that employees on short-term contracts or lower salaries sometimes chose not to join the pension scheme.

Councillor Johnson asked what work had been carried out to identify those employees not in the pension scheme. The Head of Human Resources reiterated that it was the employee's choice and they all received information about the scheme. Councillor Johnson commented that it was not always the best decision financially to join the pension scheme. The Head of Human Resources responded that the Council was not permitted to give employees financial advice.

The Human Resources Officer explained how the pension scheme was presented to new employees in their induction. He noted that the Council had to be careful about encouraging employees to join. He added that if an employee had a previous pension then abatement could apply which would be financially disadvantageous. Those employees who were not in the scheme were quite diverse in their profile. Pensions was a changing landscape which was kept under review by the Service.

Councillor Taylor said that this new scheme would come into force in 2017. He referred to paragraph 4.1.3 of the report which gave the range of financial implications for the Council. He asked whether a clearer picture would be available.

The Head of Human Resources advised that some fundamental changes to the scheme would come into force in April 2014. It was not yet clear what the effect of these changes would be. When more information was published about the new scheme, more detail would be available for financial planning.

Councillor Johnson suggested that the Council consider providing external and independent financial advice to the employees in the future, at no cost to them. The Head of Human Resources responded that the costing for this could be considered. She added that generic financial advice was available through the Employee Assistance Programme.

The Head of Human Resources referred to the proposal to implement postponement. She explained that enrolment in the pension scheme could be postponed for three months to allow the Council to determine whether casual staff met the eligibility criteria for the scheme.

RESOLVED –

that (a) transitional delay and (b) postponement be adopted by the Council.

**LOCAL GOVERNMENT PENSION SCHEME DISCRETION STATEMENT**

The Committee received a report of the Head of Human Resources setting out the discretions policy for the LGPS. The Head of Human Resources introduced the report. She advised that the Council had a duty to publish a policy statement advising what the Council's position was on all the discretions available to them as an employer.

Councillor Johnson referred to the discretion to adopt an injury benefit scheme in paragraph 3.8 on the appendix. He asked why this would not be adopted. The Head of Human Resources explained that there was no national scheme that an employer could have where a lump sum would be paid to an employee injured in the course of their work. She advised that no such scheme had operated at the Council to her knowledge and the reason for not adopting this discretion was financial. She noted that all these discretions seemed attractive but that the Council was operating in an environment where savings had to be made.

Councillor Johnson asked whether an insurance policy for such a scheme had been considered. The Head of Human Resources advised that since there was no national scheme any policy would be on the basis of the values apportioned to any injury.

Following a question from Councillor Turmaine, the Head of Human Resources responded that the current situation were that if an employee were injured in the course of their work and it was considered that the Council had been negligent in its duty of care, a claim could be submitted.

RESOLVED-

that the Local Government Pension Scheme Discretions Statement policy as set out in Section 3 of the policy in Appendix 1 be approved.

Chair

The Meeting started at 7.00 pm  
and finished at 7.20 pm