

PLEASE NOTE VENUE

GENERAL PURPOSES COMMITTEE AGENDA



Friday 23th March 2007

at 10.00 am

in Committee Room 'A', Civic Centre

MEMBERS: GENERAL PURPOSES COMMITTEE:

Councillors Hall, Henery, Iseley, J Marshall, Rogan, Shaw, Wallace, Wistow and Young.

1. **APOLOGIES FOR ABSENCE**
2. **TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**
3. **MINUTES**
 - 3.1 To confirm the minutes of the meetings held on 29th September 2006 and 7th March 2007 (*attached*)
4. **ITEMS REQUIRING DECISION**
 - 4.1 Appointment of Local Authority Representatives to serve on School Governing Bodies – *Director of Children's Services*
5. **ANY OTHER ITEMS WHICH THE CHAIRMAN CONSIDERS ARE URGENT**

GENERAL PURPOSES COMMITTEE

MINUTES AND DECISION RECORD

29th September 2006

Present:

Councillor: D Young (In the Chair)

In accordance with Council Procedure Rule 4.2(ii) councillors Cook, Griffin and A Marshall were in attendance as substitutes for Councillors Shaw, Hall and Wallace respectively.

Officers: Mike Ward, Chief Financial Officer
Peter Devlin, Legal Services Manager
Ann Turner, Governor Support Officer
Elizabeth Maddison, Assistant Governor Support Officer
Pat Watson, Democratic Services Officer

Caroline Tyrrell from the Audit Commission was also in Attendance to address the Committee in relation to Minute 22..

19. Apologies for Absence

Apologies were submitted for Councillors Hall, Henery, Iseley, J Marshall, Shaw, Wallace and Wistow.

20. Declarations of interest by members

Councillor Cook declared a personal and prejudicial interest in minute 23 and left the meeting during consideration of his application to become a Local Authority Representative to serve on School Governing Bodies.

21. Confirmation of the minutes of the meeting held on 18th August 2006

The minutes were accepted as a true record.

22. **Final 2005/06 Statement of Accounts and Audit Commission Annual Governance Report** (*Chief Financial Officer*)

Purpose of report

To request Members approval of the final 2005/06 Statement of Accounts and to present the Audit Commission's Annual Governance Report.

Issue(s) for consideration by the Committee

Members were reminded that at their meeting held on 30th July 2006 approval had been given to the draft 2005/06 Statement of Accounts. At that time Members had been advised that a further report would be submitted once the Audit Commission had completed their review of the draft and related matters.

The Audit Commission has now completed the Audit of the 2005/2006 Statement of Accounts (Appendix B) and their recommendations are detailed in the Annual Governance Report, Appendix A.

Members were advised that during the audit agreement had been reached to amend the Cashflow Statement (page 61 of Appendix B) and the Balance Sheet (page 40 of Appendix B). The changes to the Cashflow Statement corrected the disclosure of cashflows arising from investments and borrowings. The change to the Balance Sheet corrected the classification of an item of capital expenditure which increases the value on 'assets under construction'. The corresponding entry was within the Fixed Asset Restatement Account. These changes did not affect the Authority's overall cash position.

The report indicated that, in addition, the report highlighted that the Provision for Equal Pay costs exceeded the liability which should be recognised in the 2005/06 accounts in accordance with the requirements of Financial Reporting Standard 12. The Chief Financial Officer had determined not to change this provision as the estimated Equal Pay liabilities payable in 2006/07 and 2007/08 were anticipated to exceed this provision. The Authority would therefore need to earmark additional funding for these liabilities in 2006/07 and this issue would be dealt with as part of the 2006/07 outturn strategy.

Members were advised that the Annual Governance Report replaced the Statement of Auditing Standards (SAS 610) report and owing to the changes in the Audit Commission's timetable for issuing the Annual Audit Letter the Annual Governance Report covered a wider range of issues than the SAS 610 report. The principle purposes of the Annual Governance Report were outlined in the report.

A copy of the Annual Governance Report was attached at Appendix A.

Caroline Tyrrell from the Audit Commission was present at the meeting and highlighted the key issues identified in the report. Cardine indicated that the Audit Commission were not disputing the 2005/06 Statement of Accounts, just the provision of the estimated Equal Pay liability of £½m. She advised that the Audit Commission would give a qualified opinion whether or not the Authority decided to amend the accounts to take out the provision. As part of the Letter of Representation there would be a paragraph as to why the Authority had left in the provision, if that was the decision.

Decision

Members approved the Final 2005/06 Statement of Accounts detailed at Appendix B, incorporating the changes detailed at paragraph 3.2 of the report.

23. Appointment of Local Authority Representatives to Serve on School Governing Bodies (*Director of Children's Services*)

Purpose of report

To request Members to make recommendations to the Children's Services Portfolio Holder in respect of the appointment of Local Authority Representative Governors to serve on school governing bodies where vacancies currently exist.

Issue(s) for consideration by the Committee

Members were advised that applications are invited from members of the general public, elected members and those governors whose term of office is about to expire and who are interested in serving or wish to continue to serve as a LA representative governor on school governing bodies.

The following criteria had been agreed by the Borough Council for the recruitment of LA representative governors in 2000. LA governors should be able to show :

- demonstrable interest in and commitment to education;
- a desire to support the school concerned;
- a commitment to attend regular meetings of the governing body (and committees as appropriate) and school functions generally;
- good communication/interpersonal skills;
- ability to work as part of a team;
- a clearly expressed willingness to participate in the governor

training programme.

A schedule was attached as Appendix A to the report setting out details of vacancies which currently exist for LA representative governors, together with applications received in respect of one of the vacancies. Appendix B contained exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to any individual (para 1)

Decision

Approval was given for the following recommendations, for the appointment of LEA Representative Governors, to be referred to the Children's Services Portfolio Holder:

English Martyrs School & 6th Form College: Councillor R Cook
 Jesmond Road Primary School: Mr K Gardner
 Manor College of Technology: Councillor M Waller
 St Joseph's R.C. Primary School: Mrs J Ganzerela

The following unfilled vacancies were noted:

Bamard Grove Primary School – 1 vacancy
 Brougham Primary School – 1 vacancy
 Catcote School – 2 vacancies
 Grange Primary School – 1 vacancy
 Hart Primary School – 1 vacancy
 Rift House Primary School – 2 vacancies
 Rossmere Primary School – 1 vacancy
 Springwell School – 1 vacancy
 Throston Primary School – 1 vacancy

D YOUNG

CHAIRMAN

GENERAL PURPOSES COMMITTEE

MINUTES AND DECISION RECORD

7 March 2007

The meeting commenced at 10.00 a.m. in the Municipal Buildings, Hartlepool

Present:

Councillors: Gerard Hall, John Marshall and Jane Shaw

Officers: Joanne Machers, Chief Personnel Officer
David Cosgrove, Principal Democratic Services Officer

24. Appointment Of Chair

In the absence of the Chair, Councillor Shaw was appointed Chair for this meeting.

Councillor Shaw in the Chair.

25. Apologies for Absence

Councillors Iseley, Wistow and Young.

26. Declarations of interest by members

None.

27. Confirmation of the minutes of the meeting held on 29 September 2006

Deferred.

28. Local Government Pension Scheme – Discretionary Payments *(Chief Personnel Officer)*

The Chief Personnel Officer reported that the Local Government (Early Termination) (Discretionary Payments) Regulations 2006 were introduced as a result of the Age Discrimination Act 2006. The regulations came into effect from 1 October 2006, however HBC have developed these proposals during the 6 month transitional period. The report was the result of a review of the current Council arrangements and sought a decision on

the future policy for discretionary payments for circumstances of early retirement and redundancy for Hartlepool Borough Council.

It had been essential to review the current arrangements as in an early termination of employment situation, giving one employee any additional compensation simply because they are over 50, and therefore eligible for early retirement, would be automatically regarded as direct age discrimination, if a claim was brought before a Employment Tribunal. The Government had, however, confirmed that differing redundancy payments, based on an age and length of service criteria, would not be considered age discriminatory. The Regulations gave each Local Authority the discretion to award maximum payments of up to two years' pay (104 weeks) within its policy. In giving this flexibility, it also placed responsibility and, therefore liability, for the policy adopted on each individual Local Authority. The Age Regulations also had an Exception Rule (Regulation 33) which allowed the use of age and service related criteria based on the statutory calculations for redundancy payments as long as it is applied to ALL payments and as long as the method of calculating the payment was based on the statutory redundancy payment e.g. half a week's pay for service under 22, etc.

The report then went on to briefly summarise the principal changes in the regulations and also to set out the current arrangements in place within Hartlepool Council for Members information and reference. The Chief Personnel Officer then outlined the proposed arrangements, taking into account the requirements of the Age Regulations. The report also took into account the trade union comments. Following a decision by the Committee, the Early Retirement / Voluntary Redundancy Procedure would be revised to reflect the changes agreed. If the current policy was amended then, as per Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, the employing authority "must" publish a statement of the amended policy within one month of the decision and they "must" not give effect to any policy change until one month has passed since the amended policy is published. The Chief Personnel Officer indicated that this statement could be submitted to Teesside Pension Fund within 1 week, subject to today's decision.

Three options were set out in the report for the Committee's consideration; these were, briefly: -

Option 1 - No enhancements and minimum statutory entitlements for redundancy and early release of basic pension granted (with calculations based on weekly basic pay and the statutory cap removed). Early release of pension is at the employer's discretion.

Option 2 – "the middle ground" offers employees a similar level of benefits at 66 weeks to the current scheme.

Option 3 – offered employees potential the maximum benefits but was also consequently the most expensive for the Authority. This was the preferred of the three options for the Trade Unions as it offers more

benefits for its members.

Tables set out in the report showed in greater detail how each of the options affected staff in both employee and employer led situations of early release on efficiency grounds both voluntary and compulsory redundancy.

The Chief Personnel Officer stated that the preferred option of the Corporate Management Team was option 1 as it was the lowest cost option for the Council but with the flexibility to apply employer led additional benefits, where necessary, up to the discretion applied in option 2. This had subsequently been endorsed by the Performance Management Portfolio Holder at his meeting on 26 February 2007 and recommended to the Committee.

The Members of the Committee present were concerned that such a significant issue was being dealt with by only three members of the Committee, though they acknowledged that this did form a quorum under the Constitution. During the debate on the report, the Members raised the following issues/comments:-

- Members commented that the timetable for making the decision was extremely tight. The Chief Personnel Officer indicated that the regulations had only come into effect on 1 October 2006 and the Council was required to amend its scheme by 1 April 2007. While acknowledging Members comments, the Chief Personnel Officer indicated that it had not been possible to bring this matter to Members any earlier due to staffing issues within the division and workload pressures arising from equal pay and job evaluation.
- Members acknowledged that the Trade Unions would wish to have implemented the scheme that was most favourable to their members but due regard to the spending of public money also had to be a significant consideration. The Chief Personnel Officer stated that the Council would need to be able to justify any scheme it put in place. This had been one of the primary considerations that had led the Corporate Management Team to recommend Option 1. The Corporate Management Team had also acknowledged that some flexibility would also be needed in certain circumstances to apply additional benefits.
- Members commented that of the three options put forward, Option 2, being the most similar to the existing scheme, seemed to be the most favourable.
- Members were concerned that such a significant decision was being made by this group without any wider member debate. Members considered that the matter should be referred to Scrutiny for fuller debate and investigation. The Chief Personnel Officer commented that without a scheme being agreed to operate after 31 March 2007, the Council would be effectively in 'limbo' as the current scheme would be deemed illegal under the Age Regulations and pension regulations..
- Members questioned what other authorities in the area/region had agreed to implement. The Chief Personnel Officer reported that of the

Tees Valley authorities that had made a decision, all had agreed a scheme similar to that recommended by CMT and the Performance Management Portfolio Holder . Within the wider north east region, the Chief Personnel Officer indicated that she was not aware of any authority having agreed a more generous scheme than that recommended to Members today.

The Members present gave the matter serious consideration during their debate and considered that, while acknowledging that the authority needed a scheme in place for 1 April 2007, the matter did need wider debate and should, therefore, be submitted to Scrutiny for detailed consideration. Members suggested that Scrutiny should be requested to consider this issue as matter of urgency when considering the scrutiny work programme for the 2007/08 Municipal Year. Members considered that in the meantime Option 2, as set out in the report, should be implemented as being very similar to the current scheme, thereby not putting the Council or employees in no better or worse position than now . The Committee would then reconsider the scheme in light of the recommendations of the scrutiny investigation later in the year.

Decision

1. That Option 2, as detailed in the report, be implemented as the Council's policy principles in respect of LGPS discretionary payments.
2. That further consideration of this policy be referred to Scrutiny with a request that Scrutiny progress this matter as a priority investigation in the 2007/08 work programme.

JANE SHAW

CHAIR

GENERAL PURPOSES COMMITTEE

23rd March 2007



Report of: Director of Children's Services

Subject: APPOINTMENT OF LOCAL AUTHORITY
REPRESENTATIVES TO SERVE ON SCHOOL
GOVERNING BODIES

1. PURPOSE OF REPORT

To request members of the General Purposes Committee to make recommendations to the Children's Services Portfolio Holder in respect of the appointment of Local Authority representative governors to serve on school governing bodies where vacancies currently exist.

2. BACKGROUND

Applications are invited from members of the general public, elected members and those governors whose term of office has expired or is about to expire and who are interested in serving or wish to continue to serve as a LA representative governor on school governing bodies.

The following criteria were agreed by the Borough Council for the recruitment of LA representative governors in 2000. LA governors should be able to show:

- demonstrable interest in and commitment to education;
- a desire to support the school concerned;
- a commitment to attend regular meetings of the governing body (and committees as appropriate) and school functions generally;
- good communication/interpersonal skills;
- ability to work as part of a team;
- a clearly expressed willingness to participate in the governor training programme.

A schedule (**Appendix A**) is attached setting out details of vacancies which currently exist for LA representative governors, together with an application received in respect of the vacancies (**Appendix B**). **This item contains exempt information under Schedule 12A of the Local Government Act**

1972, (as amended by the Local Government (Access to Information)(Variation) Order 2006) namely, information relating to any individual (para 1)

3. RECOMMENDATIONS

That the recommendation for the appointments set out in the confidential section of the minutes, of LA representative governors be referred to the Children's Services Portfolio Holder for approval.



**VACANCIES FOR
LOCAL AUTHORITY REPRESENTATIVES
MARCH, 2007**

**Contact Officer: Ann Turner
Tel. 523766**

Children's Services in Hartlepool

VACANCIES FOR LOCAL AUTHORITY REPRESENTATIVES ON GOVERNING BODIES

SCHOOL INCLUDING LA GOVERNORS	VACANCIES	POSSIBLE INTEREST	RECOMMENDED FOR APPOINTMENT
Barnard Grove Primary School			
Mrs D Stonehouse	One vacancy	No interest expressed	
Mr J M Kay			
Brierton Community School			
Councillor Ms M James	One vacancy	No interest expressed	
Ms A Lilley	vice Mr H D Smith		
Brougham primary School			
Mrs J Thompson	One vacancy	No interest expressed	
Mr A Walker	vice Mr R Atkinson		
Catcote School			
Dr M Banim	Vacancies vice	No interest expressed	
	Mr J Proud		
	Mrs I Hodgman		
Clavering Primary School			
Councillor Mrs S Griffin	One vacancy	No interest expressed	
Councillor R Cook			
Dyke House School			
Councillor J Lauderdale	Vacancy	Mr E Norman	
Mrs M Sneddon			
Mrs S Sharpe			
Golden Flatts Primary School			
Councillor Ms C Hill	Vacancy vice	Mrs J Li ston	
Councillor M W Turner	Mrs K Hird		

SCHOOL INCLUDING LA GOVERNORS	VACANCIES	POSSIBLE INTEREST	RECOMMENDED FOR APPOINTMENT
Grange Primary School			
Mr H D Smith	Vacancy vice	No interest expressed	
Mr R Flintoff	Mrs J Hamilton		
Hart Primary School			
Mrs D Adamson	Vacancy vice	Mr G Newbury	
	Mr J Knowles		
Jesmond Road Primary School			
Mr K Gardner	Vacancy vice	No interest expressed	
Mrs D Adamson	Councillor J Shaw		
Mr M H Ward			
Owton Manor Primary School			
Mrs J Thompson	One vacancy	No interest expressed	
Councillor Mrs P Rayner	Councillor Professor G Widow		
Mr J Vale			
Rift House Primary School			
Councillor D Young	2 vacancies	No interest expressed	
	vice Mr J Proud		
	and Mrs M Coser		
Rossmere Primary School			
Mrs D Stonehouse	One vacancy	Councillor M Johnson	
Mrs M Smith	Vice Mrs L Hodgson		
Seaton Carew Nursery			
Mr L A Brown	One vacancy	Councillor G Lilley	
Springwell School			
Mrs E Parkinson	One vacancy Vice	No interest expressed	
	Mr C Rowntree		

SCHOOL INCLUDING LA GOVERNORS	VACANCIES	POSSIBLE INTEREST	RECOMMENDED FOR APPOINTMENT
Throston Primary School			
Councillor H Clouth	Vacancy vice	No interest expressed	
Mrs J Norman	Councillor P Jackson		

GENERAL PURPOSES COMMITTEE

23 March 2007



Report of: Scrutiny Co-ordinating Committee

Subject: FORMAL RESPONSE TO 'LOCAL GOVERNMENT PENSION SCHEME – DISCRETIONARY PAYMENTS' SCRUTINY REFERRAL

1. PURPOSE OF THE REPORT

- 1.1 To report the unanimous decision of the Scrutiny Co-ordinating Committee in relation to the recent scrutiny topic referral by the General Purposes Committee on 7 March 2007 to the Overview and Scrutiny Function.

2. BACKGROUND INFORMATION

- 2.1 As you will recall, at a meeting of the General Purposes Committee on 7 March 2007, a decision was sought regarding the options available to the Authority following a recent review of the current discretionary payments for the Local Government Pension Scheme as a result of the new Age Discrimination Regulations.
- 2.2 At the meeting, it was subsequently agreed (Minute No. 28 refers) :-
- (a) 'That Option 2, as detailed in the report, be implemented as the Council's policy principles in respect of LGPS discretionary payments; and
 - (b) That further consideration of this policy be referred to Scrutiny with a request that Scrutiny progress this matter as a priority investigation in the 2007/08 work programme.
- 2.3 In line with Council procedures, the Scrutiny Co-ordinating Committee considered the Scrutiny Referral at its meeting on 13 March 2007. Members acknowledged that whilst the Committee was aware that it had the discretion to consider referrals from the Council's Regulatory Panels and other Committees. After much discussion the Committee reached the decision not to undertake the referral on the basis of:-
- (a) That a decision had already been made (that being Option 2); and

- (b) That there would be no value added by seeking the views of the Scrutiny Co-ordinating Committee in this matter, as a priority within its 2007/08 Work Programme.

3. RECOMMENDATION

- 3.1 That the General Purposes Committee note the decision reached unanimously by the Scrutiny Co-ordinating Committee to not undertake the Scrutiny Referral, for the reasons outlined earlier in paragraph 2.3 of this report (Minute 212 refers).

**COUNCILLOR MARJORIE JAMES
CHAIR OF SCRUTINY CO-ORDINATING COMMITTEE**

March 2007

Contact:- Charlotte Burnham – Scrutiny Manager
Chief Executive's Department - Corporate Strategy
Hartlepool Borough Council
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BACKGROUND PAPERS

The following background papers were used in the preparation of this report:-

- (i) Report of the Chief Personnel Services Officer entitled 'Local Government Pension Scheme – Discretionary Payments' presented to the General Purposes Committee held on 7 March 2007;
- (ii) Minutes of the General Purposes Committee held on 7 March 2007;
- (iii) Report of the Scrutiny Manager entitled 'Scrutiny Topic Referral from the General Purposes Committee: Local Government Pension Scheme – Discretionary Payments' presented to the Scrutiny Co-ordinating Committee on 13 March 2007; and
- (iv) Minutes of the Scrutiny Co-ordinating Committee held on 13 March 2007.