

Central Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ

**This meeting may
be filmed.***



please ask for Leslie Manning
direct line 0300 300 5132
date 16 June 2015

NOTICE OF MEETING

GENERAL PURPOSES COMMITTEE

Date & Time

Thursday, 25 June 2015 10.00 a.m.

Venue at

Room 15, Priory House, Monks Walk, Shefford

Richard Carr
Chief Executive

To: The Chairman and Members of the GENERAL PURPOSES COMMITTEE:

Cllrs Mrs J G Lawrence (Chairman), G Perham (Vice-Chairman), L Birt,
Mrs C F Chapman MBE, P Hollick, J G Jamieson, M R Jones, K C Matthews,
M A G Versallion, N Warren, B Wells and A Zerny

[Named Substitutes:

Cllrs D Bowater, N B Costin, Ms A M W Graham, D J Lawrence, B Saunders,
T Stock and J N Young]

All other Members of the Council - on request

***MEMBERS OF THE PRESS AND PUBLIC ARE WELCOME TO ATTEND THIS
MEETING***

***Please note that phones or other equipment may be used to film, audio record, tweet or blog from this meeting. No part of the meeting room is exempt from public filming.**

The use of arising images or recordings is not under the Council's control.

AGENDA

1. **Apologies for Absence**

To receive apologies for absence and notification of substitute Members.

2. **Minutes**

To approve as a correct record the minutes of the meetings of the General Purposes Committee held on 15 January 2015 and 21 May 2015 (copies attached).

3. **Members' Interests**

To receive from Members any declarations of interest.

4. **Chairman's Announcements and Communications**

To receive any announcements from the Chairman and any matters of communication.

5. **Petitions**

To receive petitions from members of the public in accordance with the Public Participation Procedure as set out in Annex 2 of Part A4 of the Constitution.

6. **Questions, Statements or Deputations**

To receive any questions, statements or deputations from members of the public in accordance with the Public Participation Procedure as set out in Annex 1 of Part A4 of the Constitution.

Reports

Item	Subject	Page Nos.
7.	The Local Authorities (Standing Orders)(England)(Amendment) Regulations 2015 To consider recent legislative changes relating to the dismissal of statutory officers and make the required amendments to the Constitution regarding their implementation.	* 25 - 38
8.	Constitution Update To consider an update on changes which have been carried out under the Monitoring Officer's delegated powers and address any outstanding constitutional issues.	* 39 - 52

9. **Local Government Pension Scheme Update** * 53 - 66

To consider an update on the governance of the Local Government Pension Scheme.

10. **Market Rate Supplement Payments - Annual Update** * 67 - 80

To consider an update on the current application of market rate supplements to posts across Central Bedfordshire Council.

11. **Work Programme** * 81 - 84

To consider the Committee's work programme.

CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **GENERAL PURPOSES COMMITTEE** held at Room 15, Priory House, Monks Walk, Shefford on Thursday, 15 January 2015

PRESENT

Cllr P Hollick (Chairman)
Cllr R C Stay (Vice-Chairman)

Cllrs A L Dodwell
J G Jamieson
D Jones
M R Jones
Mr D J Lawrence

Cllrs Mrs J G Lawrence
K C Matthews
J Murray
R B Pepworth
M A G Versallion

Members in Attendance: Cllr D J Hopkin

Officers in Attendance: Mrs M Clay – Chief Legal and Democratic Services Officer
Ms M Damigos – Corporate Lawyer
Mrs C Jones – Acting Chief People Officer
Mr L Manning – Committee Services Officer

GPC/14/36. **Minutes**

RESOLVED

that the minutes of the meeting of the General Purposes Committee held on 20 November 2014 be confirmed and signed by the Chairman as a correct record.

GPC/14/37. **Members' Interests**

None.

GPC/14/38. **Chairman's Announcements and Communications**

The Chairman referred to the update on the recruitment of children's social workers given at the last meeting of the Committee (minute GPC/14/32 refers) and advised Members that a recent article in a local government magazine had recognised the efforts made by the Council in promoting the role and in the recruitment and training of staff.

GPC/14/39. Petitions

No petitions were received from members of the public in accordance with the Public Participation Procedure as set out in Annex 2 of Part A4 of the Constitution.

GPC/14/40. Questions, Statements or Deputations

No questions, statements or deputations were received from members of the public in accordance with the Public Participation Procedure as set out in Annex 1 of Part A4 of the Constitution.

GPC/14/41. Pay Policy Statement 2015/16

The Committee considered a report which set out the draft Pay Policy Statement for 2015/16. Members were reminded that the Localism Act 2011 required local authorities to adopt a comprehensive Pay Policy Statement by 31 March every year and publish it on the council's website with effect from 1 April.

The Committee recalled that the Localism Act had extended the requirements under the Code of Transparency to publish Chief Officer remuneration on the Council website, and also to ensure that full Council had the opportunity to approve senior appointments or severance arrangements outside of existing approved policies and pay arrangements.

The Committee was aware that the draft Pay Policy Statement before Members had been updated to reflect the impact of the pay award recently given to all employees on Local Government terms and conditions of employment. The meeting was advised that a national pay award had not been approved for the Chief Executive or Directors and that they were covered by separate negotiating bodies.

Members were also aware that the Localism Act had introduced requirements to ensure a comparison was possible between the policies adopted on the remuneration of Chief Officers and other employees. However, for the period 2015/16, the ratio of pay of the Chief Executive to that of the median earner and the ratio of pay of the Chief Executive to that of the mean average salary could not be updated until after the January 2015 payroll had been run. This information would be made available in time for consideration by full Council.

Full discussion took place on the process set out within the draft Pay Policy Statement for the determination of salary levels for Directors. The Committee noted that all newly appointed Directors were paid 'spot salaries' and that the salary range in which the spot salary was determined was decided by the Appointments Sub-Committee taking into account guidance from the Joint Negotiating Committee (JNC) National Framework and market forces. Members felt that the draft Statement should be amended to clearly reflect this process.

RECOMMENDED TO COUNCIL

- 1 that the draft Pay Policy Statement 2015/16, as set out at Appendix A to these minutes, be approved and adopted;
- 2 that, following approval and adoption, the Pay Policy Statement 2015/16 be published on the Council's website.

GPC/14/42. Councillor Code of Conduct Complaints

The Committee considered a report, originally submitted to the Corporate Resources Overview and Scrutiny Committee on 16 December 2014, on proposed changes to the councillor Code of Conduct complaints processes and procedures. Members also had before them a copy of the slide pack for the accompanying presentation on this matter originally given to the Overview and Scrutiny Committee. In addition, the Chief Legal and Democratic Services Officer and Monitoring Officer took the opportunity to verbally update the summary of Councillor Code of Conduct complaints, which had been included as an appendix to the report, to include the figures for December 2014.

The Committee noted that the report presented to the Corporate Resources Overview and Scrutiny Committee had arisen as a consequence of concerns over the time and cost resource implications to the Council with regard to the processing of town and parish councillor Code of Conduct complaints. The report explained the current arrangements and the range of issues which had generated the resource challenges. It was in response to this situation that the Chief Legal and Democratic Services Officer and Monitoring Officer sought changes to Part F2 of the Constitution ('Arrangements for dealing with Standards Allegations Under the Localism Act 2011') with the aim of improving the management of the complaints process and the turnaround times in respect of complaints and generally streamlining the process in the light of experience whilst ensuring that the relevant checks and balances remained. An emphasis on securing the local resolution of complaints, if at all possible, was made by the Chief Legal and Democratic Services and Monitoring Officer.

The views of the General Purposes Committee on the proposed changes to the Constitution were sought. During the debate the Chief Legal and Democratic Services Officer and Monitoring Officer stated that she would welcome the clear endorsement and ownership by all members of the Council of the proposed, wider, changes to the Constitution. Following full consideration the General Purposes Committee concurred with the Corporate Resources Overview and Scrutiny Committee's proposed changes. In addition, Members approved the related Councillor Code of Conduct Complaint Procedure Flowchart, which provided a guide in pictorial form, subject to a revision to embolden the typeface of the timescales. Following further comment the Chief Legal and Democratic Services Officer and Monitoring Officer undertook to further examine the content of the Flowchart to ensure greater clarity and achieve conformity with any changes to the Constitution that were subsequently approved by Council.

The Committee considered the need to improve awareness of Code of Conduct complaints issues among town and parish councils having regard to the Corporate Resources Overview and Scrutiny Committee's recommendation that a dedicated seminar be held for this purpose. The General Purposes Committee noted that a development seminar was now scheduled to be held on 19 March 2015 for town and parish council clerks with the aim of embedding awareness on this issue within the councils. It was further noted that a second development seminar would be held for town and parish councillors following the elections on 7 May. Members indicated their full support for these arrangements.

RECOMMENDED TO COUNCIL

that the proposed amendments to Part F2 of the Constitution, as set out at Appendix B to these minutes, and to the Councillor Code of Conduct Complaints Procedure Flowchart, as set out at Appendix C to these minutes, be approved and adopted.

GPC/14/43. Work Programme

Members considered a report which set out the Committee's proposed work programme for the remainder of the 2014/15 municipal year and the whole of the 2015/16 municipal year.

The Chairman drew Members' attention to the absence of any reports for the meeting scheduled for 5 March except that for the work programme. He asked Members to inform him of any issues that they might have which would generate report items. He stated that if none were forthcoming the meeting would be cancelled.

RESOLVED

that the proposed General Purposes Committee work programme, as attached at Appendix A to the report of the Committee Services Manager and Committee Services Officer, be approved.

(Note: The meeting commenced at 10.00 a.m. and concluded at 11.02 a.m.)

Chairman

Dated

Appendix A

**CENTRAL BEDFORDSHIRE COUNCIL
PAY POLICY STATEMENT 2015/16**

1. INTRODUCTION

This Pay Policy Statement is produced in accordance with Chapter 8 of the Localism Act 2011 and with regard to the guidance issued by the Secretary of State under Section 40 of the Act.

It is made available on the Council's website. The Council's website also includes separately published [salary information](#) relating to Chief Officers as part of the Transparency Code.

Salary ranges published in this policy are correct as at 31st March 2015.

2. SCOPE

The Localism Act sets out the posts that are considered to be Chief Officers. In terms of Central Bedfordshire, this will cover the Chief Executive as Head of Paid Service, Directors, the Monitoring Officer, Section 151 Officer and a number of Assistant Directors/Chief Officers/ Group Managers and Heads of Service who are regarded as Deputy Chief Officers.

In accordance with the Act, the Pay Policy Statement provides information about the remuneration paid to the Council's Chief Officers and other prescribed categories of employee. It covers all employees of Central Bedfordshire Council irrespective of legacy terms and conditions where they remain.

This policy does not apply to staff employed by local authority schools as the Localism Act does not include them.

3. REMUNERATION OF CHIEF OFFICERS

The Chief Executive and Directors' Terms and Conditions are in line with the JNC Conditions of Service for Chief Executives and Chief Officers.

Chief Executive

The Chief Executive is the Council's Head of Paid Service. The Council has set the salary range for this post and as at 31 March 2015, the annual FTE range for the grade of this post is £161,700 - £186,200. There are 5 incremental points in the grade.

Incremental progression for Chief Officers is not automatic but is awarded following the achievement of set performance objectives. The decision to award an incremental increase to the Chief Executive is made by the Leader.

Appendix A

The starting salary paid to the Chief Executive will be that determined by the Appointments Sub- Committee, taking in to consideration guidance from the JNC National Framework and market forces and subject to it being within the published salary range

Any appointment proposed above this published salary range would require a recommendation from General Purposes Committee to Full Council.

The Head of Paid Service is additionally the Council's Returning Officer. The responsibility of this role is one of a personal nature distinct from duties as an employee of the council. The fee paid to the Returning Officer is determined by legislation and the recovery of the costs of the Returning Officers' services and expenses at a UK or European Parliamentary election is met from Central Government funds and so does not constitute a cost to the Council. Where local elections occur a scale of fees and charges, approved by the Council, determines the total overall amount the Returning Officer may expend in connection with an election. The fees paid to staff who undertake election duties are broadly in line with central government rates.

Directors

When the Council was first established an incremental salary scale was created for all Directors. However to reflect the new Directorate structure now in place, the Council has moved to pay 'spot salaries' for all new appointments. The range in which the spot salary is determined is decided by the Appointments Sub- Committee, taking into consideration guidance from the JNC National Framework and market forces.

The Council will apply JNC nationally agreed cost of living pay awards to the salaries of Directors.

Assistant Directors/Chief Officers/Group Managers and Heads of Service

Terms and Conditions for Assistant Directors/Chief Officers/ Group Managers and Heads of Service are in accordance with the National Joint Council (NJC) conditions of service for Local Government Services.

The Council's pay scales for these posts are as follows:

Assistant Directors/Chief Officers/Group Managers - the salary scale is determined by the job-evaluated grade for the post but will be within the range £62,684 to £91,951 These are across 4 separate pay bands each with 3 incremental points.

Heads of Service - the salary scale is determined by the job-evaluated grade for the post but will be within the range of £48,238- £52,625 or £58,472- £62,858. Each grade has 3 incremental points.

Section 151 Officer and Monitoring Officer

The Council's Chief Finance (Section 151) Officer and Chief Legal and Democratic Services (Monitoring) Officer are graded at £85,834-£91,951 and £76,962 - £85,834

Appendix A

respectively.

Currently the Council does not have any performance related pay systems or bonus schemes in place for any Chief Officers.

4. REMUNERATION OF OTHER EMPLOYEES

Terms and Conditions for Assistant Directors/ Chief Officers/ Group Managers, Heads of Service and remaining officers are in accordance with the National Joint Council (NJC) conditions of service for Local Government Services.

The pay spine used by the Council is aligned but not directly comparable to the national pay spine, following a 2% reduction to pay implemented in October 2011. In order to protect lowest earners, salaries at or below £21,519 (scp 25) were exempted from this reduction.

Pay rates are negotiated at a national level through the NJC; therefore the Council will apply any cost of living pay awards to the revised pay scales and any one off non consolidated payments as determined by the national pay awards.

All posts up to spinal column point (scp) 37 are evaluated under the NJC job evaluation scheme. Posts on and above scp 37 are evaluated under the Hay job evaluation scheme. The pay scale ranges from £13,500 - £46,786 and from 1 October 2015 following the deletion of the lowest scale point the salary range will be £13,614 - £46,786.

The Council does not have any performance related pay systems or bonus schemes in place for any employees.

Any Market Rate Supplement that is paid for specifically identified posts will be in accordance with the Council's Market Rate Supplement policy.

Employees may be eligible for a business mileage related lump sum car allowance in accordance with the published scheme.

5. PAY COMPARISONS

For the purposes of the Pay Policy Statement, the Council's pay scales define the lowest paid employees as those whose salary falls within the lowest grade which at 31 March 2015 has a salary range of £13,500 -£13,614 and from 1 October 2015 it will be £13,614 to £13,871.

The current pay relationship between the highest paid employee who is the Chief Executive (Head of Paid Service) and the Council's median earner and the mean average salary has been measured.

For the period 2015/16, the ratio of pay of the Chief Executive to that of the median earner is 1

Appendix A

For the period 2015/1, the ratio of pay of the Chief Executive to that of the mean average salary is approx 11

Comment [CJ2]: As above.

Both these ratios are below the expected multiples of 8.1 for the public sector as identified in the Hutton Review of Fair Pay in the Public Sector (March 2011) Report.

It is the Council's policy that the salary of the Chief Executive will be no greater than 8x the median earner of the Council's workforce.

6. PENSIONS PROVISIONS

The Local Government Pension Scheme (LGPS) is open to all employees up to 75 years of age and with a contract of more than 3 months' duration. Details are set out on the [LGPS website](#).

No additional pension payment to the Local Government Pension Scheme is made to Chief Officers.

7. SEVERANCE PROVISIONS FOR ALL EMPLOYEES INCLUDING CHIEF OFFICERS

The Council will normally pay severance in redundancy situations based upon the Statutory Redundancy Payment Scheme using actual weekly salary where this is greater than statutory redundancy pay. Any council employee with 2 years' continuous service, including Chief Officers, irrespective of hours worked, is eligible for a redundancy payment should he or she be dismissed by reason of redundancy.

Any request for early retirement on the grounds of efficiency of the service must receive member approval.

The Council will meet its statutory and contractual obligations in respect of any severance package, and does not make discretionary payments. However, if in exceptional circumstances a discretionary payment is proposed, the details of the full package would require a recommendation by General Purposes Committee to Full Council for approval.

8. REVIEW

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement is scheduled to be for 2016/17 and will be submitted to Full Council for approval by 31 March 2016.

If it should be necessary to amend this 2015/16 Statement during the year that it applies, an appropriate resolution will be made by Full Council.

APPENDIX B

**F2 ARRANGEMENTS FOR DEALING WITH STANDARDS ALLEGATIONS
UNDER THE LOCALISM ACT 2011**

1. Context

These “Arrangements” are made in accordance with section 28 (6) and (7) of the Localism Act 2011. They set out how to make a complaint that an elected or co-opted member of this Council or of a Parish Council within its area has failed to comply with the relevant authority’s Code of Conduct. They also set out how the Council will deal with any complaints about such failures.

2. The Code of Conduct

Central Bedfordshire Council has adopted a Code of Conduct for Members, and this Code is available for inspection on the Council’s website or on request from the Monitoring Officer at Priory House, Chicksands.

Each town and parish council in the area is also required to adopt a Code of Conduct. Copies of these Codes are available on the relevant council’s website or on request from the Town or Parish Clerk.

3. The Independent Person

The Council is required to appoint at least one independent person. The Council must consult an independent person and take his/her views into account before making a decision on a complaint that it has investigated.

The independent person may be consulted by the Council at various stages in the complaints process and can also be consulted by a Member who is the subject of a complaint.

4. Making a complaint

A complaint that a member of Central Bedfordshire Council or of a town or parish council in the District has failed to observe the Council’s Code of conduct should be submitted to:

The Monitoring Officer
Central Bedfordshire Council
Priory House
Monks Walk
Chicksands
Shefford
Bedfordshire
SG17 5TQ

The Monitoring Officer is a senior officer of the authority who has statutory responsibility for maintaining the register of Members' interests and who is responsible for administering the arrangements for complaints about Member misconduct.

In order to ensure that the Monitoring Officer has all the information needed to process complaints, they should be submitted using the model complaint form **which also explains the process and the relevant referral criteria at initial assessment**. The complaint form can be downloaded from the Council's website. A copy of the form is also available on request from the Monitoring Officer.

Complainants must provide their name, postal address and, where possible, their email address. The Council will not normally investigate an anonymous complaint, unless there is a clear public interest in doing so.

The Monitoring Officer will acknowledge receipt of the complaint and will notify the Member against whom the complaint is directed **about the complaint by providing a copy of the complaint to them** within 5 working days of receiving it, and will keep both the complainant and the Member informed about the progress of the complaint.

5. Initial Assessment

The Monitoring Officer will assess every **Councillor Code of Conduct** complaint received and, after consultation with the Independent Person, will take a decision as to whether it merits formal investigation. This decision will normally be taken within 20 working days of receipt of a complaint **but may take longer if additional information is sought**.

Whilst each allegation will be considered on its individual merits, the following "Referral Criteria" will be used at the initial assessment to decide whether to accept a complaint for investigation or take no further action or to decide upon some form of local resolution.

Referral Criteria

- **is the subject member still a serving member**
- **is the information submitted, sufficient to make a decision**
- **is the complaint the same as or similar to a previous complaint**
- **the complainant's view of the action taken or proposed**
- **steps taken or proposed to remedy the action complained of**
- **member on member complaints will not normally be referred until the Monitoring Officer considers that other processes e.g. informal mediation or political group or chairman investigation has taken place**
- **the time passed since the alleged conduct occurred**
- **the complaint involves conduct too trivial to warrant further action**
- **does the complaint appear to be malicious, politically motivated or tit for tat**

- whether the matter complained of is an individual act or part of a continuous pattern of behaviour which should be cumulatively considered
- the public benefit in investigating the alleged complaint
- the availability and cost of resources with regard to the seriousness of the alleged matter
- any officer complaint about a member will not normally be referred until the Protocol for Member/Officer Relations has been pursued
- any other substantial reason

Where the Monitoring Officer requires additional information in order to come to a decision, he/she may ask the complainant to provide further information, and may also request information from the Member against whom the complaint is directed.

Where the complaint relates to a Parish Councillor, the Monitoring Officer may also inform the Parish Council about the complaint ~~and seek the views of the Parish Council before deciding whether the complaint merits formal investigation.~~

6. Informal Resolution

In appropriate cases, the Monitoring Officer may seek to resolve the complaint informally without the need for a formal investigation. Such informal resolution may involve for example the Member accepting that his/her conduct was unacceptable and offering an apology, or other appropriate remedial action. ~~There may be a situation for example w~~Where the member or the authority makes a reasonable offer of informal resolution, but the complainant is unwilling to accept that offer, the Monitoring Officer will take account of this in deciding whether the complaint merits formal investigation.

7. Investigation

If the Monitoring Officer decides that a complaint merits formal investigation, he/she will appoint an Investigating Officer, who may be another ~~senior~~ officer of the authority, an officer of another authority or an external investigator.

The Investigating Officer will decide whether he/she needs to meet or speak to the complainant to understand the nature of the complaint, to obtain an understanding of events, to identify what documents the Investigating Officer needs to see and who the Investigating Officer needs to interview.

The Investigating Officer will normally contact the Member against whom the complaint has been made to provide him/her with a copy of the complaint and to obtain the member's explanation of events. The Member will be invited to identify what documents the Investigating Officer needs to see and who he/she needs to interview.

In exceptional cases, where it is appropriate to keep the complainant's identity confidential or where disclosure of the details of the complaint to the member might prejudice the investigation, the Monitoring Officer may redact the complainant's name and address from the papers given to the Member, or delay notifying the Member until the investigation has progressed sufficiently.

At any point the Investigating Officer may refer to the Monitoring Officer to resolve without a full investigation or reject the complaint.

At the end of his/her investigation, the Investigating Officer will produce a draft report and will send copies of that draft report, in confidence, to the complainant and to the Member concerned, to give them both an opportunity to identify any matter in the report with which they disagree or which requires more consideration.

Having received and taken account of any comments made on the draft report, the Investigating Officer will submit his/her final report to the Monitoring Officer.

The Monitoring Officer will review the Investigating Officer's report and will decide what action to take. There are three possible courses of action:-

- **No action**
- **Local Resolution**
- **Hearing**

8. No Action

If the Investigating Officer concludes that there has been no breach and the Monitoring Officer is satisfied that this conclusion is sound, then he/she may decide that no further action should be taken in relation to the complaint. **If the Monitoring Officer is not so satisfied, then his/her decision will be final.**

9. Local Resolution

If the Investigating Officer concludes that there has been a breach of the Council's Code of Conduct, the Monitoring Officer may, after consulting the Independent Person, seek a local resolution of the complaint.

A local resolution may include the Member acknowledging that his/her conduct was unacceptable and offering an apology and/or accepting other remedial action by the Council.

If the Member and the Complainant agree to accept the suggested resolution, the Monitoring Officer will report the matter to the Standards Sub-Committee (and the Parish Council) for information, but will take no further action. **The Member and the Complainant do not have the right to reject the Monitoring Officer's suggested resolution and any non –acceptance by either will be reported back to the Standards-Sub Committee. However, if either the Complainant or the Member informs the Monitoring officer that the suggested resolution is not acceptable, then the Monitoring Officer will refer the matter to the Standards Sub-Committee for a hearing.**

10. Hearings

If the Monitoring Officer considers that “local resolution” or “no action” is not appropriate or adequate, ~~or if either the Complainant or the Member are not willing to co-operate with the proposal for local resolution~~, then the Monitoring Officer will submit the Investigating Officer’s report to the Standards Sub-Committee which will conduct a hearing into the complaint before deciding whether the Member has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the matter.

Following the hearing, the Standards Sub-Committee, with the benefit of any advice from the Independent Person, may conclude that the Member did not fail to comply with the Code of Conduct, and so will dismiss the complaint.

If the Standards Sub-Committee concludes that the Member has failed to comply with the Code of Conduct, the Chairman will inform the Member of this finding and the Sub-Committee will then consider what action, if any, should be taken as a result of the Member’s failure to comply with the Code.

Before reaching a decision, the Standards Sub-Committee will give the Member an opportunity to make representations and will consult the Independent Person.

11. Sanctions

The Council has delegated to the Standards Sub-Committee authority to take such action in respect of individual Members as may be available to promote and maintain high standards of conduct. Accordingly the Sub-Committee may:–

- 11.1 censure the Member;
- 11.2 publish its findings in respect of the Member’s conduct;
- 11.3 report its findings to the Council (or to the Parish Council) for information;
- 11.4 instruct the Monitoring Officer to (or recommend that the Parish Council) arrange training for the Member;
- 11.5 inform the Member’s Group Leader

The Standards Sub-Committee has no power to suspend or disqualify the Member or to withdraw any special responsibility allowances to which the Member may be entitled under the Council’s Members’ Allowances Scheme.

The Independent Person is invited to attend all meetings of the Standards Sub-Committee and his/her views will be sought and taken into consideration before the Sub-Committee takes any decision on whether the Member’s conduct constitutes a failure to comply with the Code of Conduct and also as to any action to be taken following a finding of failure to comply with the Code of Conduct.

12. **ReviewsAppeal**

If either the Complainant or the Member against whom a complaint has been made is dissatisfied with the outcome, he/she may ask for the decision to be **reviewed** ~~**appealed**~~. ~~**Any appealreview**~~ will be undertaken by the Standards Appeals Sub-Committee made up of Members who have not previously been involved in the consideration of the complaint.

Any appeal request must be received in writing by the Monitoring Officer within 21 days of issue of the written decision notice and only on the grounds of:-

- **The procedure being wrongly applied;**
- **New evidence has come to light since the hearing; or**
- **A misdirection in law**

The Appeal will be heard on the papers only

A new Independent Person will also be asked to give their views

The Standards Appeals Sub-Committee may:-

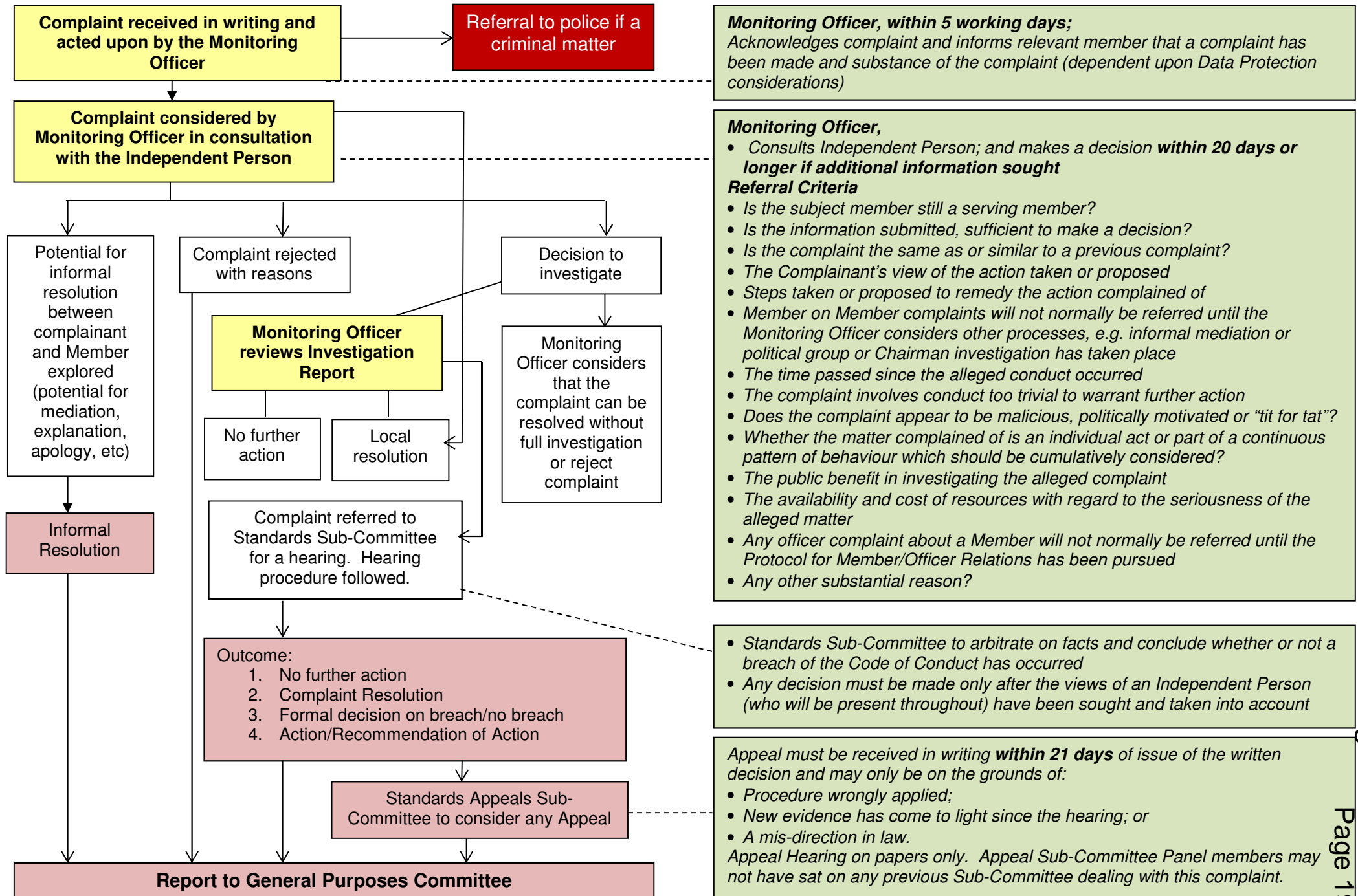
- **Set aside the original decision if it considers it to be unreasonable and substitute its own decision**
- **Confirm the original decision**

There will be no further right of appeal.

13. **Revision of these arrangements**

The Council has delegated its responsibilities under Chapter 7 of the Localism Act 2011 to the General Purposes Committee. The General Purposes Committee may therefore amend these arrangements. **The General Purposes Committee resolved on 17th July 2014 that authority be delegated to the Monitoring Officer, in consultation with the Chairman of the General Purposes Committee, to amend the arrangements for dealing with standards allegations made under the Localism Act 2011.**

Councillor Code of Conduct Complaint Procedure Flowchart



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CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **GENERAL PURPOSES COMMITTEE** held at Council Chamber,
Priory House, Monks Walk, Shefford on Thursday, 21 May 2015

PRESENT

Cllr Mrs J G Lawrence (Chairman)
Cllr G Perham (Vice-Chairman)

Cllrs Mrs C F Chapman MBE
Ms A M W Graham
P Hollick
J G Jamieson
K C Matthews

Cllrs M A G Versallion
N Warren
B Wells
J N Young
A Zerny

Apologies for Absence: Cllrs L Birt, M R Jones, A Ryan, T Swain and
T Woodward

Substitutes: Cllrs Costin for Jones
Young for Birt

Members in Attendance: Cllrs Mrs A Barker, R D Berry, M C Blair, D Bowater,
A D Brown, J Chatterley, Mrs S Clark, K M Collins,
I Dalgarno, S Dixon, Mrs A L Dodwell, P Downing,
P A Duckett, K Ferguson, F Firth, Mrs J Freeman,
E Ghent, Mrs S A Goodchild, C C Gomm,
Mrs D B Gurney, C Hegley, K Janes, R W Johnstone
J Kane, D J Lawrence, Ms C Maudlin, D McVicar,
R Morris, T Nicols, R C Stay, I Shingler, B Saunders,
J A G Saunders, D Shelvey, P Smith, B J Spurr,
T Stock, G Tubb, A M Turner, B Walker,
R D Wenham

Officers in Attendance:	Mr R Carr	– Chief Executive
	Mrs M Clay	– Chief Legal and Democratic Services Officer
	Mr M Coiffait	– Director of Community Services
	Mr S Conaway	– Chief Information Officer
	Mrs S Harrison	– Director of Children's Services
	Mrs S Hobbs	– Committee Services Officer
	Mr J Longhurst	– Director of Regeneration and Business
	Mrs J Ogley	– Director of Social Care, Health and Housing
	Ms M Peaston	– Committee Services Manager
	Mr C Warboys	– Chief Finance Officer

GPC/15/1 **Membership of the Appointments Panel**

The Committee received nominations from the Group Leaders in relation to the appointment of Members to the Appointments Panel.

RESOLVED

1. **that Members be appointed to the Appointments Panel, as attached at Appendix A to the minutes; and**
2. **to note that the Appointments Sub-Committee will be appointed by the Monitoring Officer and will be composed of 3-5 Members (normally 2-4 Conservatives and 1 Independent, including at least 1 Executive Member) plus 3 substitutes (normally 2 Conservatives and 1 Independent).**

(Note: The meeting commenced at 7.10 p.m. and concluded at 7.12 p.m.)

Chairman

Dated

Appendix A

General Purposes Committee Nominations

<p>Appointments Panel</p> <p>(5 Members + 3 substitutes, plus all the Executive Members with specific portfolios)</p> <p>4 (2) Conservatives 1 (1) Independent</p>	<p>Cllr Peter Hollick (C) Cllr Jane Lawrence (C) Cllr Ken Matthews (C) Cllr Gordon Perham (C) Cllr Adam Zerny (I)</p> <p><i>plus Executive Members as below:</i> Cllr James Jamieson (C) Cllr Maurice Jones (C) Cllr Mrs Carole Hegley (C) Cllr Brian Spurr (C) Cllr Andrew Turner (C) Cllr Mark Versallion (C) Cllr Richard Wenham (C) Cllr Nigel Young (C)</p> <p>Substitutes</p> <p>Cllr Alison Graham (I) Cllr Nigel Warren (C) Cllr Budge Wells (C)</p>
<p>Appointments Sub-Committee</p>	<p>Appointed by the Monitoring Officer as needed from the membership of the Appointments Panel.</p> <p>To comprise 3-5 members (2-4 Conservative and 1 Independent, including at least 1 Executive Member)</p>

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Central Bedfordshire Council

GENERAL PURPOSES COMMITTEE

25 June 2015

**THE LOCAL AUTHORITIES (STANDING ORDERS)(ENGLAND)
(AMENDMENT) REGULATIONS 2015**

Advising Officers:

Deb Broadbent-Clarke, Director of Improvement and Corporate Services
deb.broadbent-clarke@centralbedfordshire.gov.uk

Ifty Ali, Locum Corporate Lawyer
iftyali@centralbedfordshire.gov.uk

Purpose of this report

To advise the council of the legislative changes to the Standing Orders relating to dismissal of statutory officers which come in to effect on 11 May 2015 and to make the necessary changes to the Council's constitution to effect their implementation as far as is currently feasible.

RECOMMENDATIONS

General Purposes Committee is asked to recommend to Full Council:

1. The Independent Panel designated to deal with the dismissal of statutory officers will be the Appointments Sub-Committee;
2. The Officer Employment Procedure Rules contained at H4 of the Constitution and the General Purposes Committee terms of reference be amended as set out in Appendices A and B respectively to reflect the requirements set out in the Local Authorities (Standing Orders)(England)(Amendment) Regulations 2015;
3. The current relevant Independent Persons appointed to the Council be invited to join the Appointments Sub-Committee when dealing with the dismissal of the Chief Executive (Head of Paid Service) , Chief Finance Officer (Section 151 Officer) and Chief Legal and Democratic Services Officer (Monitoring Officer);
4. The composition and remit of the Appointments Sub-Committee remain as currently constituted save that in the case of dismissal of the Chief Executive(Head of Paid Service), Chief Finance Officer (Section 151 Officer) and Chief Legal and Democratic Services

Officer (Monitoring Officer) the Sub-Committee may only make a recommendation to Council.

Overview and Scrutiny Comments/Recommendations

Not applicable

Background

1. Previous legislation provides that the Head of Paid Service, Monitoring Officer and Section 151 Officer cannot be dismissed unless a Designated Independent Person has first been appointed to investigate and make a binding recommendation on disciplinary action.
2. DCLG wrote to a limited number of stakeholders in 2013 seeking views on draft amendment regulations which would remove the requirement for a Designated Independent Person (DIP).
3. Respondents raised concerns about the dilution of the protection of Statutory Officers, who may be required to make unpopular statutory reports, about the skill set of panel members, and about how the panel might operate.
4. The Secretary of State at the time regarded the DIP process as expensive and cumbersome and rationalised the proposed changes suggesting that the new process would make it easier and less expensive for authorities to deal with senior officer performance and conduct issues.

Issues and options

5. New disciplinary regulations were introduced in the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 No 881, by which the existing statutory requirements for a designated independent person (DIP) to consider and advise on disciplinary matters relating to Heads of Paid Service, Monitoring Officers (MOs) and Chief Finance Officers (CFOs) (statutory officers) of local authorities in England were revoked and replaced with a new requirement with effect from 11 May 2015.
6. The Regulations removed the requirement for a DIP and provide that any decision to dismiss the relevant Statutory Officer must be taken by full Council.
7. The Regulations introduce new mandatory Standing Orders which all councils have to put into their constitution as a replacement for the current arrangements. From now on only full Council can dismiss one of the three Statutory Officers.

8. The Council must consider any advice, views or recommendations of the independent panel, the conclusions of any investigation into the proposed dismissal and any representations from the Statutory Officer concerned.
9. The regulations go on to provide that, in consulting the Independent Panel, the Council “must invite relevant independent persons to be considered for appointment to the panel, with a view to appointing at least two such persons to the Panel”.
10. “Relevant Independent Persons” are defined as an independent person who has been appointed to the authority or, where there are fewer than two such persons then an independent person appointed by another authority.
11. Invitations are to be made in the following priority order:
 1. An independent person appointed to the authority living inside the authority’s area
 2. An independent person appointed to the authority living outside the authority’s area
 3. Where the authority has appointed fewer than two independent persons ,an independent person appointed by another authority
12. The panel must be appointed at least 20 working days before the date of the Council meeting at which the decision to dismiss will take place (the regulations are silent as to when the panel must meet).
13. It is expressly provided that the panel constitutes an advisory committee under s102(4) of the local Government Act 1972 which provides:

“may consist of such person (whether members of the appointing authority or authorities or not) appointed for such term as may be determined by the appointing authority or authorities”.
14. The Council therefore has the option to constitute a panel comprising wholly independent persons or a panel comprising a mix of independent persons and elected members of the Council.
15. The General Purposes Committee already contains within its Terms of Reference arrangements for the dismissal of the Head of Paid Service via the Appointments Sub-Committee. It is proposed that these Terms of Reference be extended to include the Chief Finance Officer and the Monitoring Officer and to provide for the inclusion of independent persons.
16. In the case of the Head of Paid Service there is a right for a Designated Independent Person to be appointed, preserved through the JNC terms and conditions of employment for Chief Executives, notwithstanding the introduction of these regulations. This apparent contradiction

between the Council's constitution as amended by this report and the terms and conditions of the Chief Executive has yet to be resolved by DCLG.

17. The regulations specifically state that any remuneration allowances or fees paid to any independent person must not exceed that which they already receive in respect of their role as an independent person under the Localism Act 2011.

Corporate Implications

Legal Implications

18. There is a legal requirement to incorporate the provisions as set out in Schedule 3 to The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015
19. However these new regulations do not appear at first sight to have been fully thought through in terms of their legal implications;
 - a. Even though the new IP is only needed where there is a proposal for dismissal, since dismissal will often be one of a number of available sanctions, this process will need to be used every time dismissal might arise
 - b. It is not clear whether the IP comprises only the independent members or is a Committee of the Council in which case it will include Councillors and the political proportion rules will apply
 - c. Because of the existing contractual position, if councils wish to remove the current procedures from an officer's contract, they would need to dismiss him/her and reengage them on new terms – and the dismissal would require the involvement of a DIP under the present rules

Financial Implications

20. It seems clear that there will still be the need for a DIP due to the preserved JNC terms and conditions in respect of the Head of Paid Service but this cost cannot be estimated at this stage.

Equalities Implications

21. There are no equalities implications at this stage and as such no impact assessment made. Any potential equalities implications need to form part of any hearings that take place under these amendments to the council constitution.

Conclusion and next Steps

If the recommendations in this report are agreed this matter needs to proceed to the next full Council.

Officers will keep a watching brief on developments as both the LGA and ALACE (the organisation representing Chief Executives) have given detailed written feedback setting out their concerns to the DCLG and it seems inevitable that there will be further developments.

Appendices

The following Appendices are attached:

22. Appendix A – Extract showing proposed amendments to H4 Officer Employment Procedure Rules and The General Purposes Committee Terms of Reference.

Appendix B – Extract showing proposed amendments to Part E2 General Purposes Committee Terms of Reference.

Background Papers

23. The following background paper:

(i) The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 and Explanatory Note
<http://www.legislation.gov.uk/ukxi/2015/881/contents/made>

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H4 OFFICER EMPLOYMENT PROCEDURE RULES

1. Recruitment and Appointment

1.1 Declarations

1.1.1 The Council will draw up a statement requiring any candidate for appointment as an officer to state in writing whether they are the parent, grandparent, partners, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing councillor or officer of the Council; or of the partner of such persons.

1.1.2 No candidate so related to a councillor or an officer will be appointed without the authority of the relevant Director or Assistant Chief Executive or an officer nominated by him/her.

1.2 Seeking support for appointment

1.2.1 Subject to paragraph 1.2.3, the Council will disqualify any applicant who directly or indirectly canvasses the support of any councillor or officer for any appointment with the Council. The content of this paragraph will be included in any recruitment information.

1.2.2 Subject to paragraph 1.2.3, no councillor or officer will canvass support for any person for any appointment with the Council.

1.2.3 Nothing in paragraphs 1.2.1 and 1.2.2 above will preclude a councillor or officer from giving a written reference for a candidate for submission with an application for appointment except where the councillor or officer is a member of the appointment panel in that case.

2. Recruitment of Head of Paid Service, Directors and Assistant Chief Executives

2.1 Where the Council proposes to appoint the Head of Paid Service or a Director or Assistant Chief Executive and it is not proposed that the appointment be made exclusively from among their existing officers, the Appointments Sub-Committee will:

2.1.1 Draw up a statement specifying:-

2.1.1.1 the duties of the officer concerned; and

2.1.1.2 any qualifications or qualities to be sought in the person to be appointed

Appendix A

- 2.1.2 Make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it;
- 2.1.3 Make arrangements for a copy of the statement mentioned in paragraph 2.1.1 to be sent to any person on request;
- 2.1.4 Either interview all qualified applicants for the post, or select a short list of such qualified applicants and interview those on the short list; and
- 2.1.5 Where no qualified person has applied, make further arrangements for advertisement in accordance with paragraph 2.1.2 above.

3. Appointment or Dismissal of Head of Paid Service, Directors, Assistant Chief Executives, Chief Finance Officer and Monitoring Officer

3.1 *Appointments*

- 3.1.1 Only the full Council shall approve (or otherwise) the appointment of the Head of Paid Service following the recommendation of such an appointment by the Appointments Sub-Committee. The Appointments Sub-Committee must include at least one member of the Executive.
- 3.1.2 The Appointments Sub-Committee will appoint Directors, Assistant Chief Executives, the Chief Finance Officer and the Monitoring Officer as designated in Part H1 of the Constitution.
- 3.1.3 Before the Sub-Committee makes an offer of an appointment, the Monitoring Officer shall notify every member of the Executive of:-
 - 3.1.3.1 the name of the proposed appointee;
 - 3.1.3.2 the particulars relevant to the appointment; and
 - 3.1.3.3 the period within which objections to the appointment can be made.
- 3.1.4 The Sub-Committee may make an offer provided that:-
 - 3.1.4.1 the Leader, on behalf of the Executive and within the period, raises no objection, or indicates that the Executive has no objection; or
 - 3.1.4.2 the Sub-Committee decides that any objection received from the Leader within the period is not material or is not well founded.

3.2 *Dismissals*

- 3.2.1 The full Council shall approve (or otherwise) the dismissal of the Head of Paid Service, Chief Finance Officer and Monitoring Officer following the recommendation of such dismissal by the Appointments Sub-Committee and subject to compliance with the provisions of paragraph 5.
- 3.2.2 The responsibility for dismissal of Directors, Assistant Chief Executives and Assistant Directors rests with the Head of the Paid Service or his/her nominee.
- 3.2.3 Before full Council (in the case of the Head of Paid Service, Chief Finance Officer and Monitoring Officer) or the Head of the Paid Service or his/her nominee (in the case of Directors) determines to issue a notice of dismissal, the Monitoring Officer or his/her deputy shall notify every member of the Executive of:-
 - 3.2.3.1 the name of the person proposed to be dismissed;
 - 3.2.3.2 any other particulars relevant to the proposed dismissal; and
 - 3.2.3.3 the period within which objections to the dismissal can be made.
- 3.2.4 The Sub-Committee or the Head of Paid Service or his/her nominee may determine to issue a notice of dismissal, provided that:-
 - 3.2.4.1 the Leader, on behalf of the Executive and within the period, indicates that the Executive has no objections, or raises no objection; or
 - 3.2.4.2 the Sub-Committee or the Head of Paid Service or his/her nominee as appropriate decides that any objection received from the Leader within the period is not material or is not well founded.

4. **Other Appointments/Dismissals**

- 4.1 **Officers below Director.** Appointment of officers below Director level (other than Assistant Chief Executive, the Chief Finance Officer and Monitoring Officer and assistants to political groups) is the responsibility of the Head of Paid Service or his/her nominee (and may not be made by Councillors) subject to compliance with the provisions of paragraph 3.1.3 and 3.1.4 in the case of Assistant Directors.

- 4.2 Dismissal of officers below Director level other than Assistant Chief Executives is the responsibility of the Head of Paid Service, subject to compliance ~~with paragraph 5 in respect of the Chief Finance Officer and Monitoring Officer and~~ with the provisions of paragraphs 3.2.3 and 3.2.4 above in respect of Assistant Directors.
- 4.3 **Assistants to political groups.** Where the Council has approved the establishment of posts of assistant to political groups, their appointment shall be made in accordance with the wishes of the respective political group.

5. Disciplinary Action

- 5.1 **Suspension.** The Head of Paid Service, Monitoring Officer and Chief Finance Officer may be suspended whilst an investigation takes place into alleged misconduct. That suspension will be on full pay and last no longer than two months.
- 5.2 ~~**Independent person.** No other disciplinary action may be taken in respect of any of these officers except in accordance with a recommendation in a report made by a designated independent person.~~
- 5.3 Councillors will not be involved in any disciplinary action ~~(including dismissal)~~ against any officer ~~below Head of Paid Service~~ except where such involvement is necessary for any investigation or inquiry into alleged misconduct, though the Council's disciplinary, capability and related procedures, as adopted from time to time, may allow a right of appeal to members in respect of disciplinary action

6. Dismissal of Head of Paid Service , Chief Finance Officer and Monitoring Officer

6.1. In the following paragraphs—

~~(a)~~6.1.1 “the 2011 Act” means the Localism Act 2011(1);

~~(b)~~6.1.2 “chief finance officer”, “disciplinary action”, “head of the authority’s paid service” and “monitoring officer” have the same meaning as in regulation 2 of the Local Authorities (Standing Orders) (England) Regulations 2001(2);

~~(c)~~6.1.3 “independent person” means a person appointed under section 28(7) of the 2011 Act;

~~6.2.~~ A relevant officer may not be dismissed by an authority unless the procedure set out in the following paragraphs is complied with.

~~6.3.~~ The authority must invite relevant independent persons to be considered for appointment to the Panel, with a view to appointing at least two such persons to the Panel.

~~6.4.~~ In paragraph 3 “relevant independent person” means any independent person who has been appointed by the authority or, where there are fewer than two such persons, such independent persons as have been appointed by another authority or authorities as the authority considers appropriate.

~~6.5.~~ Subject to paragraph 6.6, the authority must appoint to the Panel such relevant independent persons who have accepted an invitation issued in accordance with paragraph 6.3 in accordance with the following priority order—

Appendix A

- ~~(a)6.5.1 a relevant independent person who has been appointed by the authority and who is a local government elector;~~
- ~~(b)6.5.2 any other relevant independent person who has been appointed by the authority;~~
- ~~(c)6.5.3 a relevant independent person who has been appointed by another authority or authorities.~~
- ~~6.6. An authority is not required to appoint more than two relevant independent persons in accordance with paragraph 6.5 but may do so.~~
- ~~6.7. The authority must appoint any Panel at least 20 working days before the relevant meeting.~~
- ~~6.8. Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the authority must take into account, in particular—~~
 - ~~(a)6.8.1 any advice, views or recommendations of the Panel;~~
 - ~~(b)6.8.2 the conclusions of any investigation into the proposed dismissal; and~~
 - ~~(c)6.8.3 any representations from the relevant officer.~~
- ~~6.9. Any remuneration, allowances or fees paid by the authority to an independent person appointed to the Panel must not exceed the level of remuneration, allowances or fees payable to that independent person in respect of that person's role as independent person under the 2011 Act."~~

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5. The General Purposes Committee

Appointed by:	The Council under Section 101 of the Local Government Act 1972
No of Members:	12 including at least 3 members of the Executive
Chairman and Vice-Chairman appointed by:	The Council
Quorum	At least 50% of the membership of the Committee
Frequency	Provision to be made for a meeting in each committee cycle, if needed
Venue	As set out in the approved Calendar of Meetings ¹ 1 unless otherwise agreed by the Chairman, Monitoring Officer or Committee by resolution.
Co-opted members	None

5.1 Terms of Reference

- 5.1.1 To make arrangements for the appointment of the Head of Paid Service, Directors, Chief Finance Officer and Monitoring Officer and the dismissal of the Head of Paid Service, Chief Finance Officer and Monitoring Officer via the Appointments Sub-Committee;
- 5.1.2 To determine strategic employee policies;
- 5.1.3 To determine terms and conditions of employment for employees;

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Central Bedfordshire Council

General Purposes Committee

25 June 2015

Constitution Update

Report of Cllr Richard Wenham, Executive Member for Corporate Resources
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Advising Officers:

Melanie Clay, Monitoring Officer melanie.clay@centralbedfordshire.gov.uk

Deb Broadbent-Clarke, Director of Improvements and Corporate Services
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Mel Peaston, Committee Services Manager
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Purpose of this report

1. To consider matters for maintaining the Constitution.

RECOMMENDATIONS

The Committee is asked to:

1. note the amendments made by the Monitoring Officer under her delegated powers to maintain the Constitution, as set out in Appendix A;
2. **RECOMMEND TO COUNCIL the inclusion of provision for Members' ICT allowances in Part K of the Constitution, Members' Allowances Scheme, as shown in Appendix C.**

Overview and Scrutiny Comments/Recommendations

2. Amendment of the Constitution falls within the remit of the General Purposes Committee rather than overview and scrutiny.

General maintenance of the Constitution

3. The Monitoring Officer has been granted delegated powers to make urgent and minor amendments to the Constitution as set out in Part A5

paragraph 2.3 of the Constitution, and is required to report to the Committee at intervals on any amendments which have been made.

4. A schedule of the amendments which have been made since the last report to the Committee is attached at Appendix A, for the Committee to note.

Proposal to amend Part K, Members' Allowances Scheme

5. An omission has been identified in the Constitution. Currently the provision for ICT allowances for members of the Council is not set out in the Constitution, although the provisions were discussed and approved by the Executive in 2011.
6. The Executive, at its meeting on 23 August 2011, considered the best means for enabling Council members to be equipped at an appropriate level to carry out their duties including communicating with Members, Officers and others and also accessing committee papers and other documents electronically.
7. The Executive was seeking to change a provision which had enabled Members to make financial claims for ICT equipment under various provisions effective in the legacy authorities prior to the creation of Central Bedfordshire Council in 2009. Following the Executive's consideration and implementation of the new approach, such claims stopped.
8. A recommendation should consequently have been made to full Council to amend the Constitution with the provisions approved by the Executive. Unfortunately this was not taken forward and the Constitution remains unamended.
9. The Executive meeting was attended by a number of Councillors who were not members of the Executive, including the then- leaders of the two minority political groups on the Council. It has been customary at this Council for the Leader to permit non-Executive members to speak at meetings of the Executive. There is no record of adverse comments made by any non-Executive or Executive Members.
10. The relevant minute of that meeting of the Executive is attached at **Appendix B**.

Payment of ICT Allowances

11. The Executive's conclusions were treated as effective despite not being taken through the next governance processes. Payments have been made since 1 September 2011 in accordance with the Executive's principles.

12. The Council is required to publish the details of allowances paid to Members and the sums paid as ICT allowances have been included.

Appropriate way forward

13. It is proposed that the Constitution should now be amended to set out the details of provision for Members' ICT allowances. This would be by the insertion of a short paragraph and a schedule at Part K, Scheme of Members' Allowances, as shown in **Appendix C**.
14. The Committee's recommendations on this proposal would be referred for full Council's consideration at its meeting on 23 July 2015.

Council Priorities

15. Whilst not specifically addressing a Council priority this report draws to the Committee's attention issues for maintaining the Constitution, as the Council's rule-book.

Legal Implications

16. The Constitution should be maintained as an up-to-date document and the proposals contained in this report enable that requirement to be met.

Financial Implications

17. The Members' Allowances Scheme should be clear and complete to enable the transparency of payments made under it.

Equalities Implications

18. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
19. In making changes to the allowances scheme, consideration has been given to the need to ensure that Members are able to access information in a variety of ways as appropriate to their circumstances.

Conclusion and next Steps

20. Any recommendations by the Committee to amend the Constitution will be submitted to the next meeting of full Council, on 23 July 2015.

Appendices

- Appendix A – Schedule of changes made to the Constitution under the Monitoring Officer's delegated powers.
- Appendix B – minute of Executive held on 23 August 2011 on ICT Allowances
- Appendix C – proposed amendments to Part K of the Constitution, Members' Allowances Scheme.

Background Papers

21. The following background papers, not previously available to the public, were taken into account and are available on the Council's website:

None

**Amendments to the Constitution
For the period: October 2014**

Appendix A

Remove pages	Insert pages	Section of the Constitution	Proposed Change	Reason	Date approved by Monitoring Officer
Part B1 page 1	Part B1 page 1	Part B1 para 1.1	Delete the words “after consultation with the General Purposes Committee” and the comma which precedes those words.	To reflect the recommendation of General Purposes Committee on 17.07.14 and approval by Council on 11.09.14 that the Monitoring Officer may make these changes under her delegated power and is not required to consult the Committee.	14.11.14
Part C3 pages 1-5	Part C3 pages 1-5	C3 table of delegated functions, pages 2 & 3	<p>(1) 4th row, change title of Executive member from “the Executive Member for Sustainable Communities – Services” to “The Executive Member for Community Services”.</p> <p>(2) Under delegation previously to Executive Member for Sustainable Communities – Services, now Executive Member for Community Services, paragraph C, change wording “Appendices A and B” to “Appendix A”.</p>	<p>Update. The Executive Member’s title was changed by the Leader.</p> <p>Correction. There is currently no Appendix B.</p>	14.11.14

Remove pages	Insert pages	Section of the Constitution	Proposed Change	Reason	Date approved by Monitoring Officer
			<p>(3) Page 3, 3rd row: change the title of the Executive Member from “The Executive Member for Sustainable Communities – Strategic Planning and Economic Development” to “The Executive Member for Regeneration”.</p> <p>(4) Under delegation previously to Executive Member for Sustainable Communities – Services, now Executive Member for Regeneration, paragraph d, change wording “Appendices A and B” to “Appendix A”.</p>	<p>Update. The Executive Member’s title was changed by the Leader.</p> <p>Correction – there is currently no Appendix B.</p>	

Remove pages	Insert pages	Section of the Constitution	Proposed Change	Reason	Date approved by Monitoring Officer
Part K Pages 1-12	Part K pages 1-12		Amend para 13 about the period for which the Scheme relates to; Schedule 2 Approved Duties - update wording on (h) to reflect NJC rates; Schedule 3 update Motor Cycle Allowances to reflect NJC rates; also update Subsistence Allowances date effective from and provisions, to reflect NJC terms and rates.	<p>The Independent Remuneration Panel recommendations, approved at Council on 24 November 2011, included that for travel and subsistence allowances the scheme be amended to mirror the NJC rates for Local Government staff.</p> <p>A recent check revealed that the rates shown within the Constitution had not been amended although the NJC rates had been applied to Member claims with the exception of the £1.50 contribution towards subsistence not being applied for officers due to the inability of the SAP system to administer personal contribution.</p> <p>Minor details of the Scheme have therefore been updated so that arrangements for Members are in line with, or no more beneficial than, the arrangements for officers of the Council.</p>	14.11.14

For the period: December 2014

Changed pages	Insert pages	Section of the Constitution	Proposed Change	Reason	Date approved by Monitoring Officer
Part H3 pages 41 & 42	Whole of Part H3	Part H3	insert the words "Local Development Orders" at paras 4.4.4 and 4.4.9	<p>Part H3 Proposed changes at section 4:</p> <p>The proposed changes are to reflect the provision for Local Development Orders (introduced under the Planning and Compulsory Purchase Act 2004)</p>	12.12.14

Changed pages	Insert pages	Section of the Constitution	Proposed Change	Reason	Date approved by Monitoring Officer
			4.3.5	<p>Local Development Orders allow local planning authorities to extend Permitted Development rights for certain specified forms of development in an identified area, meaning that landowners and occupiers in that area can undertake more works to their premises without requiring planning permission.</p> <p>CBC adopted its first, and currently only, LDO in May 2014 for the Woodside Industrial Estate and surrounding area in Dunstable. It is now appropriate to reference LDOs where appropriate in the Planning and Development Strategy delegations in the Constitution, at H3 paragraphs 4.4.4 and 4.4.9.</p> <p>Correct some mis-numbering of paragraphs so that they are numbered sequentially</p>	

Amendments to the Constitution
Issued: January 2015

Remove pages	Insert pages	Section of the Constitution	Proposed Change	Reason	Date approved by Monitoring Officer
Part I1 page 1/2	Part I1 page 1/2	Part I1	To update para 5.2 in line with revisions already made to Part I3 of the Constitution.	To complete the update, affecting Part I1 as well as Part I3.	9.1.15

Amendments to the Constitution
Issued: February 2015

Section of the Constitution	Remove pages	Insert pages	Proposed Change	Reason	Date approved by Monitoring Officer
Part F2	Pages 1 - 5	Pages 1- 5	Updates to the Standards Complaints approach, following General Purposes Committee's recommendation to Council and agreement by Council on 29.01.15	To put in place a more efficient approach to handling Standards complaints.	Not required. Council approved on 26.01.15
H3 Paragraph: 4.3.21-34	Pages 1 - 69	Pages 1 - 69	Minor amendments to replace the legislation quoted from outdated to up to date in relation to food and anti social behaviour.	To update the Constitution with the most recent legislation	13.02.15

Amendments to the Constitution
Issued: May 2015

Remove pages	Insert pages	Section of the Constitution	Proposed Change	Reason	Date approved by Monitoring Officer
Part H1 page 1/2	Part H1 page 1/2	Part H1 para 2.1.4	update title to Director of Community Services	Title was Community Services Director, changed by Chief Executive/Head of Paid Service	28.05.15
Part H3 page 25/26	Part H3 page 25/26	Part H3 Contents page line 4.3; para 4.3 page 26	update title to Director of Community Services	Title was Community Services Director, changed by the Chief Executive/Head of Paid Service	28.05.15

Remove pages	Insert pages	Section of the Constitution	Proposed Change	Reason	Date approved by Monitoring Officer
Table of contents p1-2	Table of contents pages 1-2	Table of contents	Amend to show under Part F that the Ethical Handbook, although not part of the Constitution, is appended to the end of the constitution for ease of reference	<ul style="list-style-type: none"> (i) To clarify that the Ethical Handbook is not formally part of the constitution. It provides guidance rather than sets out absolutes. (ii) To continue to make the Ethical Handbook easily accessible by appending it to the back of the constitution 	28.05.15

Appendix B

Minute of the Executive 22.08.11 on ICT Allowances

ICT Allowances

The Executive considered a report from the Deputy Leader and Executive Member for Corporate Resources proposing a new Members' allowance scheme for the provision of Members' ICT Equipment. It was noted that the new scheme would be implemented with immediate effect, with all Members being migrated to the new arrangements by 31 December 2011.

Reason for decision: To enable Members to select the appropriate ICT equipment and support they require while delivering efficiencies and improving value for money for the residents of Central Bedfordshire.

RESOLVED

- 1. that the Members' Allowances proposals for ICT equipment set out in paragraphs 22 and 23 of the submitted report be approved;**
- 2. that the new scheme be implemented with immediate effect, with all Members migrated to the new arrangements by 31 December 2011;**
- 3. that the Member ICT Equipment Policy be amended to reflect the new allowance scheme; and**
- 4. that Part K of the Constitution be amended to reflect the new provisions.**

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Appendix C

Proposed Changes to Part K of the Constitution

The proposed changes are set out in red type, below.

Schedule 5 would be inserted to follow Schedule 4 after the main body of the Scheme.

Constitution – Part K – Scheme of Members' Allowances

9. Payment of Allowances

9.1 Payments shall be made:-

9.1.1 in respect of basic and special responsibility allowances, subject to sub-paragraph 9.2, in instalments of one-twelfth of the amount specified in this Scheme on the same day of each month as that on which salary is paid to staff;

9.1.2 in respect of travelling, subsistence and dependants' carers' allowances, on the same day of each month as that on which salary is paid to staff, in respect of claims received on or before the third working day of that month.

9.1.3 In respect of ICT allowances, subject to sub-paragraph 9.2, in instalments over a 4-year Council term as set out in Schedule 5, subject to the provision of appropriate receipts.

9.2 Where a payment of one-twelfth of the amount specified in this Scheme in respect of a basic allowance or a special responsibility allowance would result in the Councillor receiving more than the amount to which, by virtue of paragraph 6, he or she is entitled, the payment shall be restricted to such amount as will ensure that no more is paid than the amount to which he or she is entitled.

10. Travelling and Subsistence

Details of, and entitlement to, travelling and subsistence payments in respect of approved duties are set out in Schedules 2 and 3.

11. Dependants' Carers' Allowances

Details of, and entitlement to, dependants' carers' allowances are set out in Schedule 4.

12. Co-opted Members' Allowance

Each person appointed to a committee or sub-committee or panel of Central Bedfordshire Council, as a co-opted Member, shall be paid in respect of each meeting or training event attended each year an allowance, as shown below:

- (a) where the meeting or training event is of up to 4 hours £75
- (b) where the meeting or training event is for more than 4 hours £150

13. ICT Allowances

Details of, and entitlements to, ICT allowances are set out in Schedule 5.

Schedule 5

ICT ALLOWANCES

The following allowances may be paid following the purchase of ICT equipment/support for Council-related use on production of appropriate receipts, to be concluded within a 4-year Council term.

Where a Council member does not remain a member for the full term the purchased equipment or the value of the allowance paid for that equipment must be returned to the Council.

Nature of allowance	Monthly amount	Total 4 year cost (48 payments)
Equipment allowance	£12.50	£600
PC support & consumables allowance	Initial payment £19.80 and 47 payments of £16.60	£800
Fixed Line + Broadband allowance	Initial payment of £34.90 and 47 payments of £33.30	£1,600
Mobile phone allowance	£25	£1,200
Total	Up to a maximum of an initial payment of £92.20 and 47 payments of £87.40 over a 4-year Council term	£4,200

Central Bedfordshire Council

GENERAL PURPOSES COMMITTEE

25 June 2015

Local Government Pension Scheme Update

Report of Charles Warboys, Chief Finance Officer
(charles.warboys@centralbedfordshire.gov.uk)

Contact Officer: Ralph Gould, Head of Financial Control
(ralph.gould@centralbedfordshire.gov.uk)

Purpose of this report

To provide an update on the governance of the Local Government Pension Scheme.

RECOMMENDATION

That the Committee note the report.

Overview and Scrutiny Comments/Recommendations

1. This report is for information only and has not been made to any Overview and Scrutiny Committee. A report will be made to the Audit Committee reflecting the responsibility of that Committee to scrutinise financial performance and risk.

Background

2. The Local Government Pension Scheme (LGPS) in England and Wales is a funded public sector pension scheme with approximately 4.6 million members.
3. The regulations for the scheme are determined by parliament and developed by the Department of Communities and Local Government. The scheme is administered locally for participating employers by eighty nine funds across England and Wales.
4. The Bedfordshire Pension Fund is administered by Bedford Borough Council, which is responsible for the pensions of Local Government employees across Bedfordshire, including Luton Borough Council and Central Bedfordshire Council.
5. Participation in the LGPS is open to public sector employers providing some form of service to the local community. Whilst the majority of members will be local authority employees (and ex-employees), the majority of participating employers are those providing services in place of (or alongside) local authority services such as academy schools, contractors, housing associations and charities.

6. Currently in excess of 130 scheme employers participate in the Bedfordshire LGPS. The actual Bedfordshire scheme membership numbers at March 2013 and 2014 are shown in Table 1 overleaf. Following a number of years where active membership had declined the introduction of auto enrolment (whereby the default position for new employees is that they are included in the scheme and have to opt out if they do not wish to be included) has contributed to an increase in active members for the Fund as a whole.

Table 1 LGPS Bedfordshire and CBC Membership at 31/3/13 and 31/3/14				
	Fund	Fund	CBC	CBC
	31 March 2013	31 March 2014	31 March 2013	31 March 2014
Active	17,442	18,766	3,975	4,025
Deferred	21,142	22,821	6,755	7,144
Pensioners	13,158	13,841	4,131	4,276
Total	51,742	55,428	14,861	15,445

7. The LGPS is administered within a statutory and best practice framework of regulation and governance. The various administering authorities apply important policies and strategies that are developed and reviewed with independent specialist advice and in consultation with participating employers. The main areas are governance arrangements, funding, investment and communication strategies, all of which can be accessed at the Bedfordshire Pension Fund website (www.bedspensionfund.org).
8. The purpose of this report is to update the Committee on any changes or proposed changes to the regulations and governance of the scheme that have arisen since the previous report to this Committee and provide information in respect of the latest reported investment performance of the Fund. This Committee resolved at the meeting on the 20 November 2014 that the next report on the LGPS should include commentary on the risk management of the scheme.

Governance and Regulatory Changes

9. All LGPS Administering Authorities were required to establish Pension Boards from 1 April 2015. The purpose of a Pension Board is to assist the Pension Committee to secure compliance with regulations and to ensure the effective and efficient governance and administration of the LGPS. A Local Pension Board must include an equal number of employer and member representatives with a minimum requirement of no less than four in total. The membership of the Bedford Pension Board was appointed at the Bedford Borough Annual Council meeting on 20th May 2015:

Scheme Employer Representatives – 2 vacancies

Councillor Stephen Moon - Bedford Borough Council

Councillor James Jamieson - Central Bedfordshire Council

Scheme Member Representatives – 1 vacancy

Mr Stewart Briggs - Bedford Borough Council

Mr Cliff Anderson - GMB Union (Luton Branch)

Mr Liam McKeating - UNISON (Bedford Branch)

10. No officer or councillor of an Administering Authority who is responsible for the discharge of any function under the LGPS Regulations (apart from any function relating to Local Pension Boards or the Scheme Advisory Board) may be a member of a Local Pension Board. The first meeting of the Board is to be held on 25 June 2015.
11. The Central Bedfordshire Council meeting on 21st May 2015 approved the appointment to the Bedford Borough Council Pension Committee of Councillor Richard Wenham and Councillor Kevin Collins as respectively the voting member and substitute voting member.

Fund Management

12. The Fund has implemented an investment strategy and benchmark that seeks to provide less volatile returns compared to Funds with a greater weighting to equities. In periods when equity markets are very strong the Fund is likely to underperform the average local authority fund which tends to have greater allocation to equities. Conversely when equity markets are weak the Fund would be expected to outperform the average local authority fund.
13. At the Bedford Borough Council Pensions Committee meeting on 2 March 2015 the Fund Administrator reported on the Pension Fund Performance over the nine month period ending 31st December 2014. The market value of the Fund and cash holdings as at 31st December 2014 was £1,622.1 million (Table 2) reflecting an increase of £184 million since 31 March 2014. This positive performance had primarily derived from the equities asset class.

Table 2 Bedfordshire Fund Investment Asset classes and values at 31 December 2014			
Asset class	31 Dec-14	31 Dec-14	Bench mark
	£M	%	%
UK Equities	306.2	18.9	19
Overseas Equities	519.6	32.0	31
Total Equities	825.8	50.9	50
UK Gilts	71.0	4.4	
UK Index Linked Gilts	100.5	6.2	
Absolute return Bonds	134.5	8.3	
Total Bonds	306	18.9	18
Property – (Indirect))	156.9	9.7	10
Multi Asset Absolute Return	222.3	13.7	20
Cash	111.1	6.8	2
Total Fund	1,622.1	100	100

14. The Bedfordshire Pension Fund investment return for the quarter ending 1 December 2014 was 2.5% which was ahead of the benchmark return of 2.3% and behind the estimated WM Local Authority average of 3.1%. Over 12 months the Fund returned 7.1% in line with the benchmark. Over three years the Fund has returned 9.3% p.a. compared to a benchmark return of 8.5% p.a.
15. Following a change in the management arrangements for the Fund's allocation to Multi Asset Absolute Return portfolios a final allocation of £75 million was made to a new manager on 19 January 2015. The cash position above benchmark at 31 December 2014 reflects the timing of the final allocation to the additional Multi Asset Manager. The aim of Multi Asset Absolute Return portfolios is to achieve a return over the long term that exceeds inflation and cash but with a low level of volatility (risk). The managers prioritise capital preservation and are not constrained to specific asset classes and investment strategies.

Risk Management

16. At the 20 November 2014 meeting of this Committee members asked to be provided with further information about the risk management of the Bedfordshire LGPS. Many of the Fund's policy documents, referred to at paragraph 7, deal with specific risks and their management. The Bedfordshire Funding Strategy Statement (revised February 2014) summarises four key risk areas:

- i. Financial
- ii. Demographic
- iii. Regulatory; and
- iv. Governance.

17. Appendix C of the Funding Strategy Statement (reproduced at Appendix A of this report) details the Scheme's key risks and the control mechanisms in place to manage those risks. To illustrate the Pension Committee's approach to risk management an explanation of the strategic and operational management of the Fund's significant asset pool is outlined below.

18. The Fund's Statement of Investment Principles (approved November 2014) sets out in detail the investment management arrangements. The Pension Committee has set the following long term objectives for the Fund which are to:

- (a) maintain a portfolio of secure and sufficiently liquid assets, which, together with new contributions from active members of the fund and employing bodies will generate sufficient income and capital growth to meet the cost of current and future benefits that the Fund provides;
- (b) minimise the long term costs of the Fund by maximising the return on the assets whilst having regard to the objectives shown under (a) above;
- (c) ensure that employer contributions rates are set at a level to attain and maintain solvency, as certified by the Fund's Actuary, whilst keeping the employer contribution rate as stable as possible.

19. To deliver the objectives the Pension Committee approve and keep under review a Strategic Asset Allocation (Table 3) for the Fund. The Strategic Asset Allocation decision is informed by detailed modelling of asset and liability forecasts conducted after the triennial Actuarial Valuation.

Table 3 Strategic Asset Allocation		
UK equities	19%	Range 40%- 60%
Global / Overseas Equities	31%	
UK Gilts	8%	Range 13%-23%
Absolute Return Bonds	10%	
Absolute Return Multi Asset	20%	Range 15%-25%
Property	10%	Range 5%-15%
Cash/Opportunistic	2%	Opportunistic Range 0%-4% Cash Range 0%-10%

20. An investment benchmark is determined for each asset class (Table 4) and the Fund's overall performance target is the weighted average of the asset allocation and the asset allocation performance index. The Fund's overall benchmark will

vary over time with the level of indices, interest rates and inflation. Over the three years ended 31 December 2014 the annualised Fund Benchmark was 8.5%.

Table 4 – Asset Class Investment Benchmarks	
Asset Class	Investment Benchmarks
UK Equities	FTSE All Share Index
Overseas Equities	45% - FTSE America 35% - FTSE Developed Europe ex UK 15% - FTSE Japan 5% - FTSE Developed Pacific ex Japan
Global Equities	RPI + 5%*
UK Gilts	42 % - FTSE A All Stocks Gilt Index 58 % - FTSE A Index-Linked Index (all stocks)
Absolute Return Bonds	LIBID + 2%
Absolute Return Multi Asset	RPI +5% & 3 month LIBOR + 5% & 1 month LIBOR + 4%
Property	IPD Index

Key

IPD Investment Property Databank Ltd
 FTSE Financial Times/ Stock Exchange
 RPI Retail Price Index
 LIBOR London Interbank Offer Rate
 LIBID London Interbank Bid Rate

* In the short term the MSCI All world index is also referred to.

21. The investment objectives are subject to the strategy being carried out within acceptable levels of risk:

- b. Risk associated with investments is controlled through the diversification between asset classes and Investment Managers. Monitoring of performance targets is intended to ensure that the Fund's investments are adequately diversified. In addition, the investment restrictions aim to ensure that, at a stock selection level, the Fund avoids undue concentration.
- c. The risk within each investment portfolio is monitored and managed by the Investment Managers. A detailed set of performance targets and restrictions are agreed with each Manager.
- d. Benchmark risk (e.g. the risk that the Fund's returns from UK equities do not match the Benchmark FTSE Index return) is controlled by allocating a proportion of the Fund's assets to portfolios managed to replicate index returns (passive management).

22. The strategic asset allocation is implemented through the appointment of specialist investment managers. The current management arrangements are set out in table 5 below.

Table 5 - Bedfordshire Fund Investment Managers		
Manager	Asset Class	Performance Target
BlackRock Advisers UK Ltd	Passive Equities and Bonds	To track appropriate benchmark indices as follows within a benchmark tolerance of +/-0.5%. - UK Equities – FTSE Actuaries All Share Index - Overseas Equities – FTSE America FTSE Europe ex UK FTSE Japan FTSE Pacific ex Japan MSCI Emerging Markets Index - UK Gilts – FTSE A All stocks Gilt Index - UK Index-Linked– FTSE A Index Linked Index (all stocks)
CBRE Global Investors	Indirect UK Property	0.5% p.a. above the AREF/IPD UK QPFI All Balanced Property Fund Index ¹ , net of fees and costs, on a rolling three year basis.
Insight	Active Absolute return Bonds	50% LIBID + 2% 50% LIBID + 4%
Invesco Perpetual	Active Absolute Return Multi Asset	3 Month LIBOR +5%
Lazard Asset Management	Active Global Equities	To achieve a return of at least the benchmark return (net of fees) over rolling five-year periods. Performance Benchmark – RPI + 5%
Legal and General Investment Management	Passive Equities	To track the appropriate benchmark indices within a tolerance of +/-0.5%.
Newton	Active Absolute Return Multi Asset	1 Month LIBOR +4%
Pyrford	Active Absolute Return Multi Asset	RPI +5%
Trilogy Global Advisors	Active Global Equities	To achieve a return of at least the benchmark return (net of fees) over rolling seven-year periods. Performance Benchmark – RPI + 5%

23. The Fund's objectives are subject to formal annual review by the Pension Committee and triennial review following the completion of the actuarial valuation and review of the relative value of the assets and liabilities. Appropriate external advice is obtained from the appointed investment consultant, independent investment adviser and independent Actuary. Manager performance and overall asset allocations are monitored by officers on a monthly basis and quarterly by

the Pension Committee. The Committee, in conjunction with the Investment Consultant, will normally review on at least an annual basis the allocation of assets between the passive and specialist portfolios, property and other asset classes. The Investment Managers' appointments, whilst subject to monitoring, would generally be reviewed over rolling 3 year periods, in line with their performance benchmarks.

24. The assets of the Fund are held by an independent custodian Northern Trust and the key advisory appointments are subject to regular review, specifically
- i. Actuary (Hymans Robertson) every 6 years
 - ii. Independent Consultant (Hymans Robertson) every 5 years
 - iii. Independent Investment Adviser (Leslie Robb) every 3 years

Council Priorities

25. This report provides information about the Local Government Pension (LGPS). The LGPS has been subject to significant changes over recent years as central government strives to ensure that public sector pension schemes provide value for money. This objective is in line with the Council's own value for money priority.

Corporate Implications

Legal Implications

26. There are no specific legal implications as this report is made for information purposes. The LGPS in England and Wales is operated in line with various regulations made by the Secretary of State for Communities and Local Government in exercise of the powers conferred by the Superannuation Act 1972 and the Public Service Pensions Act 2013.

Financial Implications

27. There are no specific financial implications as this report is made for information purposes. The most recent Bedfordshire LGPS triennial actuarial valuation at 31 March 2013 disclosed Central Bedfordshire Council's liability of £550m compared to assets of £361m. It is planned to address the funding deficit of £189m (36%) over a twenty year period whilst stabilising the overall employer's contribution rate. In the current financial year 2015/16, employer contributions of 14% of pensionable pay are paid to the Bedfordshire Fund (approximately £8m p.a. including schools non-teaching staff) along with an additional lump sum of £7.212m towards the funding deficit.
28. LGPS contributions are a significant proportion of the Council's overall employment costs and as such the governance and performance of the scheme merits regular monitoring by this Committee.

Equalities Implications

29. There are no specific implications for equalities as this report is made for information purposes.

Conclusion

30. Funded Index linked Final salary pension schemes have to address a wide range of risks. Given the importance of such pension arrangements to scheme members and employers, the governance requirements are significant. Since the Mirror Group pension scandal of 1991 regulation and best practice guidance has increased considerably in the private sector. The LGPS, since its inception in 1922, has differed from most public sector schemes as a fund of assets has been maintained to meet future pension obligations. The Bedfordshire LGPS, in common with similar schemes, has to manage the risks associated with both assets and liabilities.
31. Considerable governance documentation is available on the Bedfordshire Pension Fund website. The various strategies and policies outline in detail the ongoing management of the Fund as it responds to the wide range of challenges facing pension schemes. An updated Risk Register is available with the strategies and policies at the website link below.
http://www.bedspensionfund.org/fund_information/policies_and_documents.aspx

Appendices

The following Appendix is attached:

Appendix A - Extract of Appendix C from Bedfordshire Pension Fund – Funding Strategy Statement – March 2014

Background Papers

None

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Appendix A - Extract of Appendix C from Bedfordshire Pension Fund – Funding Strategy Statement – March 2014

Appendix C – Key risks and controls

C1 Types of risk

The Administering Authority has an active risk management programme in place. The measures that it has in place to control key risks are summarised below under the following headings:

- financial;
- demographic;
- regulatory; and
- governance.

C2 Financial risks

Risk	Summary of Control Mechanisms
Fund assets fail to deliver returns in line with the anticipated returns underpinning valuation of liabilities over the long-term.	Only anticipate long-term return on a relatively prudent basis to reduce risk of under-performing. Assets invested on the basis of specialist advice, in a suitably diversified manner across asset classes, geographies, managers, etc. Analyse progress at three yearly valuations for all employers. Inter-valuation roll-forward of liabilities between valuations at whole Fund level.
Inappropriate long-term investment strategy.	Overall investment strategy options considered as an integral part of the funding strategy. Used asset liability modelling to measure 4 key outcomes. Chosen option considered to provide the best balance.
Fall in risk-free returns on Government bonds, leading to rise in value placed on liabilities.	Stabilisation modelling at whole Fund level allows for the probability of this within a longer term context. Inter-valuation monitoring, as above. Some investment in bonds helps to mitigate this risk.
Active investment manager under-performance relative to benchmark.	Quarterly investment monitoring analyses market performance and active managers relative to their index benchmark.
Pay and price inflation significantly more than anticipated.	The focus of the actuarial valuation process is on real returns on assets, net of price and pay increases. Inter-valuation monitoring, as above, gives early warning. Some investment in bonds also helps to mitigate this risk. Employers pay for their own salary awards and should be mindful of the geared effect on pension liabilities of any bias in pensionable pay rises towards longer-serving employees.
Effect of possible increase in employer's contribution rate on service delivery and admission/scheduled bodies	An explicit stabilisation mechanism has been agreed as part of the funding strategy. Other measures are also in place to limit sudden increases in contributions.

C3 Demographic risks

Risk	Summary of Control Mechanisms
Pensioners living longer, thus increasing cost to Fund.	Set mortality assumptions with some allowance for future increases in life expectancy. The Fund Actuary has direct access to the experience of over 50 LGPS funds which allows early identification of changes in life expectancy that might in turn affect the assumptions underpinning the valuation.
Maturing Fund – i.e. proportion of actively contributing employees declines relative to retired employees.	Continue to monitor at each valuation, consider seeking monetary amounts rather than % of pay and consider alternative investment strategies.
Deteriorating patterns of early retirements	Employers are charged the extra cost of non ill-health retirements following each individual decision. Employer ill health retirement experience is monitored, and insurance is an option.
Reductions in payroll causing insufficient deficit recovery payments	In many cases this may not be sufficient cause for concern, and will in effect be caught at the next formal valuation. However, there are protections where there is concern, as follows Employers in the stabilisation mechanism may be brought out of that mechanism to permit appropriate contribution increases. For other employers, review of contributions is permitted in general between valuations and may require a move in deficit contributions from a percentage of payroll to fixed monetary amounts.

C4 Regulatory risks

Risk	Summary of Control Mechanisms
Changes to national pension requirements and/or HMRC rules e.g. changes arising from public sector pensions reform.	The Administering Authority considers all consultation papers issued by the Government and comments where appropriate. The results of the most recent reforms have been built into the 2013 valuation. Any changes to member contribution rates or benefit levels will be carefully communicated with members to minimise possible opt-outs or adverse actions.

C5 Governance risks

C5 Governance risks Risk	Summary of Control Mechanisms
Administering Authority unaware of structural changes in an employer's membership (e.g. large fall in employee members, large number of retirements) or not advised of an employer closing to new entrants.	<p>The Administering Authority has a close relationship with employing bodies and communicates required standards e.g. for submission of data.</p> <p>The Actuary may revise the rates and Adjustments certificate to increase an employer's contributions (under Regulation 38) between triennial valuations</p> <p>Deficit contributions may be expressed as monetary amounts.</p>
Actuarial or investment advice is not sought, or is not heeded, or proves to be insufficient in some way	<p>The Administering Authority maintains close contact with its specialist advisers.</p> <p>Advice is delivered via formal meetings involving Elected Members, and recorded appropriately.</p> <p>Actuarial advice is subject to professional requirements such as peer review.</p>
Administering Authority failing to commission the Fund Actuary to carry out a termination valuation for a departing Admission Body.	<p>The Administering Authority requires employers with Best Value contractors to inform it of forthcoming changes.</p> <p>Community Admission Bodies' memberships are monitored and, if active membership decreases, steps will be taken.</p>
An employer ceasing to exist with insufficient funding or adequacy of a bond.	<p>The Administering Authority believes that it would normally be too late to address the position if it was left to the time of departure.</p> <p>The risk is mitigated by:</p> <ul style="list-style-type: none"> Seeking a funding guarantee from another scheme employer, or external body, where-ever possible. Alerting the prospective employer to its obligations and encouraging it to take independent actuarial advice. Vetting prospective employers before admission. Where permitted under the regulations requiring a bond to protect the Fund from various risks. Requiring new Community Admission Bodies to have a guarantor. Reviewing bond or guarantor arrangements at regular intervals. Reviewing contributions well ahead of cessation if thought appropriate.

Central Bedfordshire Council

GENERAL PURPOSES COMMITTEE

25 June 2015

MARKET RATE SUPPLEMENT PAYMENTS – ANNUAL UPDATE

Report of Deb Broadbent-Clarke, Director of Improvement and Corporate Services
(deb.broadbent-clarke.centralbedfordshire.gov.uk)

Advising Officers:

Catherine Jones, Acting Chief People Officer
(catherine.jones@centralbedfordshire.gov.uk)

Purpose of this report

To provide an update about the current application of market rate supplements to posts across Central Bedfordshire Council.

RECOMMENDATIONS

The Committee is asked to:

1. Receive an annual update about the current application of market rate supplements to posts across Central Bedfordshire Council.

Overview and Scrutiny Comments/Recommendations

This report is not scheduled to be considered by Overview and Scrutiny.

Background

1. Since 2013 the Committee has requested an Annual update regarding the application of market rate supplements (MRS) to posts across the Council to inform and help the Committee's understanding of the use and value of the market rate supplement policy.
2. This report provides information covering:
 - The number of MRS payments against salary bands
 - The percentage cost of MRS payments against the total salary bill by directorate
 - Staff turnover in the service areas in receipt of MRS.

3. The application of an MRS is an attempt to bridge the gap between the Council's salary levels and the current 'market' rate of pay for professionals who are key to the delivery of Council services.
4. The basic annual salary applied to any individual post is determined by the job evaluated grade in accordance with the application of the appropriate job evaluation scheme. The Council has two separate job evaluation schemes, the NJC scheme (national Joint Council for local government employees) and the Hay job evaluation scheme for posts above approximately £29k (CBG 10).
5. The application of job evaluation ensures that all staff undertaking work of equal value receive the same level of pay and therefore we avoid generating inequality issues regarding pay and work of equal value and minimise the risk of equal pay claims.
6. However when applying the job evaluated grade to the Council's salary scales the salary for certain posts does not equate to a current market rate. The implementation of the 2% pay reduction applied to the Council's salary scales in October 2011 increased the differential against the market rate for some posts.
7. Despite the high levels of investment both nationally and locally to increase the number of employees with the skills required for the economy, there is still a high demand for experienced, skilled professionals in certain service areas across the Council and consequently MRS payments continue to be needed and in some instances the value of the MRS has had to be increased.
8. The Committee will be aware of the continuing challenge to recruit and retain experienced social workers for Children's Services, particularly to work in the most demanding of the front line teams such as Access & Assessment, Family Support and Looked after Children. The MRS for newly qualified graduate social workers has however been reduced due to the intense competition for posts on the post graduate training scheme, and this has not affected numbers or quality of applicants. Difficulties in recruiting experienced social work qualified staff at Head of Service level remain.
9. However there are also signs of pressure in areas of Adult Social Care and therefore we have had to introduce MRS payments to ensure we are able to recruit and retain experienced senior practitioners and qualified adult social workers.
10. The MRS payments for Planning and Building Control have recently been reviewed and changes/reductions made to reflect that they are no longer required for some posts. However we are aware that there is increasing planning activity in and around Central Bedfordshire providing opportunities for our current staff and making it harder to recruit to vacancies and so will retain a close eye on the market to ensure we can retain our experienced and skilled staff at a time when the Council has increasing development demands.
11. There continues to be a requirement to pay MRS for posts for specialist IT and experienced qualified Finance posts.

Number of MRS payments across salary bands

12. The graphs on Appendix A show that MRS payments are mainly paid to staff in the middle salary bands and not senior managers. However as evident from Appendix B, over the past two years the value of individual MRS have had to be increased so a greater number of supplements are now paid in the higher pay bands.

Market Rate Supplements as a percentage of the total pay bill.

13. In previous years members of the committee have also wished to understand what percentage of each Director's budget is used to fund the cost of MRS payments.
14. The attached Appendix C shows that the percentage of the total pay bill (excluding on-costs) for each directorate for 2012/13, 2013/14 and the most recent year 2014/15. Due to the impact of staff restructures and staff turnover the data for the annual cost of market rate supplements is taken from a date in time and then annualised.
15. The figures in Appendix C show a slight increase in the overall percentage, particularly in Children's Services, however in view of the need to increase the value of MRS to ensure we can attract and retain the skills and experienced staff required this would be expected. It is still a better use of our resources to fund an MRS payment to a permanent member of staff rather than long term use an agency/ interim to cover the vacancy.

Staff Turnover Rates

16. As MRS payments are used to attract and retain skills and experience for the Council, the Committee have previously asked to see the turnover rates including the specialist employment areas affected. The turnover rates quoted relate to voluntary leavers only and are calculated including all staff in those service areas regardless of whether they are in receipt of an MRS or not.
17. Appendix D shows that turnover across the Council has increased slightly in the past twelve months from 10.79% for 2013/14 to 12.32% in 2014/15. However this includes variations across services with some services showing increased turnover and others decreasing turnover.
18. The Council's MRS policy sets out that MRS are paid for a period of three years. This allows for stability and confidence that the payment is on going and not just a very short term measure. Any application for an MRS is agreed by CMT in accordance with the guidelines set out in the policy.
19. It is to be anticipated that in view of the three year commitment to the MRS that this will help stabilise staffing levels. We have certainly seen this to be the case across some areas where MRS are paid. However turnover of staff can reflect a number of factors, the most frequent reason generally given for someone leaving are dissatisfaction with the job/pressure of the work, and lack of career development opportunities.

21. An important part of our approach to retaining our employees is to invest in skills development and this has been successful across the teams as the development opportunities provided are highly valued.
22. There has been success in stabilising our Children's social worker groups through: reducing turnover; ongoing recruitment of experienced staff; systematic recruitment of the best social work graduates supported by the CBC Academy of Social Work and Early Intervention, Nonetheless we are still faced the challenge that there is high national demand for experienced staff and it is very easy for experienced social workers to leave and undertake agency work where pay is very much higher than in local government, the work is readily available and offers the freedom to move to different placements.
23. There has also been a major Regional project over the past twelve months focusing on helping to manage the increasing cost of agency workers with developing an agreed 'capped' range of temporary rates for social workers. Managing the rates may also help with reducing the attraction of agency work over and above permanent work. The Directors of Children's Services across the Eastern region have all signed up to support this project.

Corporate Priorities

24. The payment of a market rate supplement supports the Council's commitment to achieving its priorities by ensuring the ability to recruit and retain the skills required to deliver services.

Legal Implications

25. None specifically arising from this report as the payment of a market rate supplement is justified by the evidence of the market information collated and therefore can be defended against any equal pay challenge under equal pay legislation.

Financial Implications

26. None specifically arising from this report

Equalities Implications

27. None specifically arising from this report as set out in paragraph 25 above.

Conclusion

28. The information set out in this report and the attached appendices show that there is still a critical requirement to pay MRS in some service areas to enable the council to attract and retain employees with the necessary skills and experience to meet the needs of our services.

Appendices

The following appendices are attached.

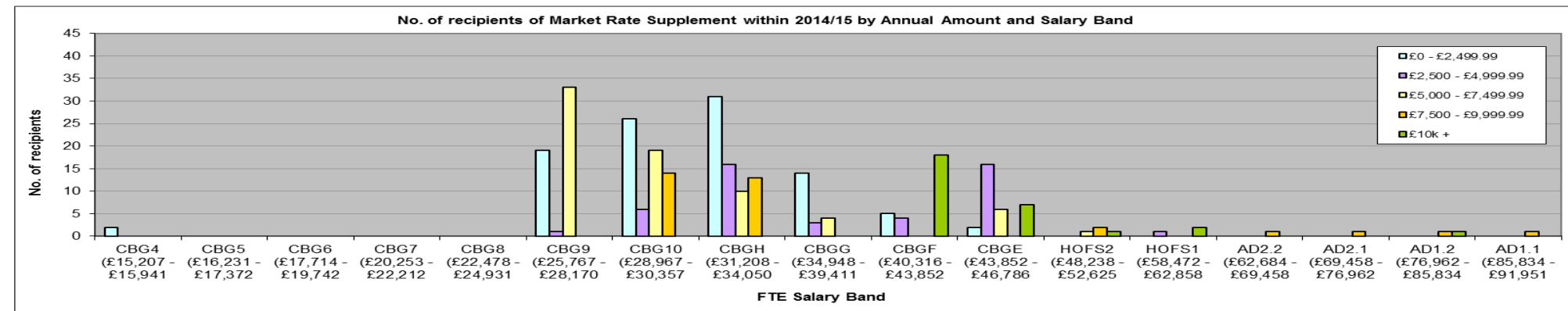
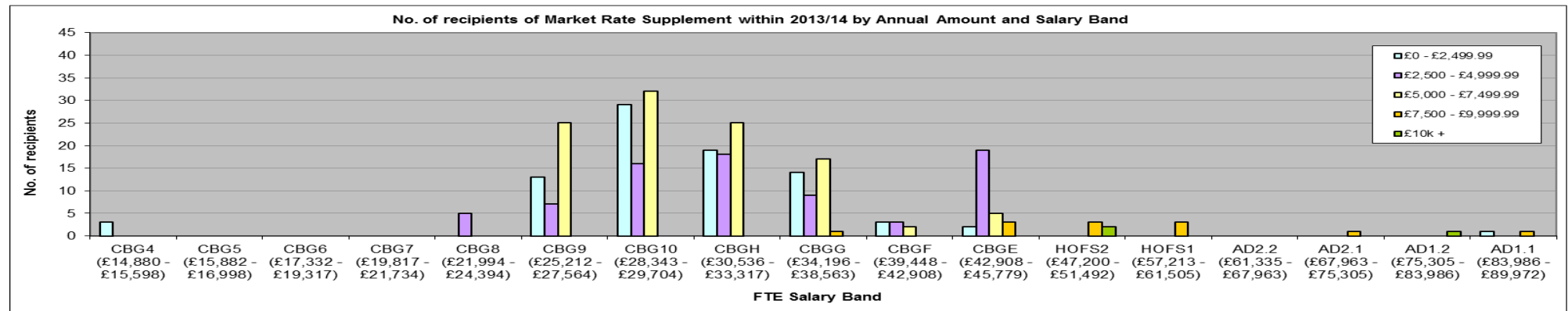
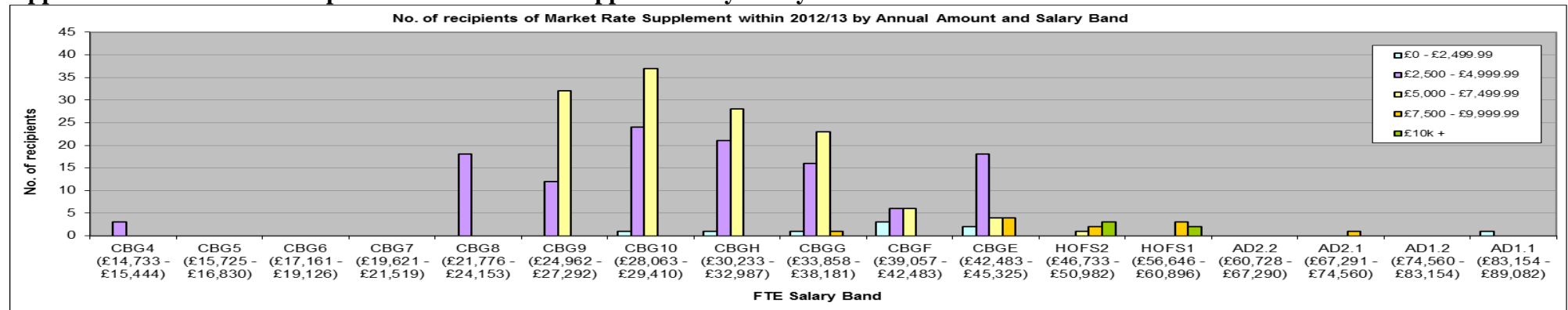
- Appendix A – Number of recipients of Market Rate Supplements by salary band
- Appendix B – Annual Market Rate Supplements by banding
- Appendix C – Market Rate Supplements as a percentage of salary costs for 2012/13, 2013/14 and 2014/15
- Appendix D - Market Rate supplement analysis including staff turnover information for 2012/13, 2013/14 and 2014/15.

Background Papers

None

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Appendix A – Number of recipients of Market Rate Supplements by salary band



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Appendix B – 2012/13, 2013/14 and 2014/15 Supplement banding tables

2012/13	Annual Market Rate Supplement Banding				
Directorate	£0 - £2,499.99	£2,500 - £4,999.99	£5,000 - £7,499.99	£7,500 - £9,999.99	£10k +
ACE - Resources	0	1	4	1	0
Children's Services	1	10	118	6	3
Social Care Health & Housing	0	74	0	0	0
Sustainable Communities	8	33	9	4	2
No. of Recipients in 2012/13	9	118	131	11	5

2013/14	Annual Market Rate Supplement Banding				
Directorate	£0 - £2,499.99	£2,500 - £4,999.99	£5,000 - £7,499.99	£7,500 - £9,999.99	£10k +
Chief Executive	0	0	6	0	0
Children's Services	2	42	97	6	3
Community Services	4	1	2	1	0
Improvement & Corporate Services	0	0	0	1	0
Regeneration	7	15	1	4	0
Social Care Health & Housing	71	19	0	0	0
No. of Recipients in 2013/14	84	77	106	12	3

2014/15	Annual Market Rate Supplement Banding				
Directorate	£0 - £2,499.99	£2,500 - £4,999.99	£5,000 - £7,499.99	£7,500 - £9,999.99	£10k +
Chief Executive	0	0	0	0	0
Children's Services	3	23	63	29	27
Community Services	3	0	2	1	0
Financial Services	0	0	6	0	0
Improvement & Corporate Services	0	0	0	0	1
Public Health	0	0	0	0	0
Regeneration	5	16	0	3	1
Social Care Health & Housing	88	8	2	0	0
No. of Recipients in 2014/15	99	47	73	33	29

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Appendix C – Market Rate Supplements as a percentage of salary costs 2012/13, 2013/14 and 2014/15 (excl. on costs)

Directorate	2012/13 Cost of Market Rate Supplements	2013/14 Cost of Market Rate Supplements	2014/15 Cost of Market Rate Supplements	2012/13 Salary Costs	MRS as % Salary Costs 2012/13	2013/14 Salary Costs	MRS as % Salary Costs 2013/14	2014/15 Salary Costs	MRS as % Salary Costs 2014/15
ACE - Resources	£32,701		-	£15,344,472	0.21%				
Children's Services	£548,810	£537,132	£702,424	£11,087,755	4.95%	£11,325,359	4.74%	£11,460,657	6.13%
Social Care Health & Housing	£80,610	£166,546	£133,307	£13,018,731	0.62%	£13,342,563	1.25%	£16,362,619	0.81%
Sustainable Communities	£156,988		-	£14,193,930	1.11%				
Chief Executive		£25,943	£0			£4,772,741	0.54%	£209,145	0.00%
Community Services		£20,164	£21,467			£8,093,897	0.25%	£8,095,816	0.27%
Improvement & Corporate Services		£6,667	£5,810			£11,377,062	0.06%	£11,780,002	0.05%
Public Health			£0					£746,190	0.00%
Financial Services			£34,632					£4,017,166	0.86%
Regeneration		£101,396	£82,570			£5,876,179	1.73%	£5,380,490	1.53%
TOTAL	£819,108	£857,847	£980,210	£53,644,888	1.53%	£54,787,801	1.57%	£58,052,085	1.69%

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Appendix D

Central Bedfordshire Council

Analysis including Turnover Information for 2012/13, 2013/14 and 2014/15 (as at 11th April 2015)

	2012/13	2013/14	2014/15
Area	Voluntary Turnover Rate	Voluntary Turnover Rate	Voluntary Turnover Rate
CBC	9.52%	10.79%	12.32%
<i>Assets</i>	18.64%	6.38%	2.04%
<i>Financial Services</i>	6.00%	2.72%	2.56%
<i>Information Technology</i>	14.29%	19.48%	12.33%
<i>Child Serv Ops</i>	11.18%	16.97%	14.10%
<i>Learn&Strat Com / Comm & Part / School Imp</i>	13.10%	17.19%	
<i>Commissioning & Partnerships</i>			11.39%
<i>School Improvement</i>			7.94%
<i>Adult Soc Care</i>	11.03%	9.93%	18.89%
<i>Resources</i>	3.39%	10.77%	11.43%
<i>CS, PP, W&L / Environmental Services</i>	5.26%	10.39%	7.76%
<i>Highways & Tran</i>	6.90%	13.98%	13.53%
<i>Development Infrastructure</i>	4.64%	5.26%	8.39%

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Central Bedfordshire Council

GENERAL PURPOSES COMMITTEE

25 June 2015

WORK PROGRAMME

Advising Officers:

Mel Peaston, Committee Services Manager
(mel.peaston@centralbedfordshire.gov.uk)

Leslie Manning, Committee Services Officer
(leslie.manning@centralbedfordshire.gov.uk)

Purpose of this report

The purpose of this report is to assist the General Purposes Committee in discharging its responsibilities by providing a proposed work programme for consideration.

RECOMMENDATION

That the Committee considers the proposed work programme attached at Appendix A.

Overview and Scrutiny Comments/Recommendations

1. This report is not scheduled to be considered by Overview and Scrutiny because the General Purposes Committee has full delegated powers to deal with all non-Executive functions which are not reserved to the full Council or are not otherwise delegated.

Background

2. To assist the General Purposes Committee a work programme is attached at Appendix A to this report. The work programme contains the known agenda items that the Committee will need to consider.
3. Additional items will be identified as the municipal year progresses. The work programme is therefore subject to change.

Council Priorities

4. The activities of the General Purposes Committee are crucial to the governance arrangements of the organisation.

Corporate Implications

Legal Implications

5. There are no legal implications.

Financial Implications

6. There are no financial implications.

Equalities Implications

7. There are no equalities implications.

Conclusion and next Steps

8. This report will assist the General Purposes Committee in discharging its responsibilities. Any amendments approved by the Committee will be incorporated in the work programme.

Appendices

Appendix A – General Purposes Committee Work Programme

Background Papers

None

Appendix A

General Purposes Committee Work Programme

2015/16 Municipal Year	
25 June 2015	<ul style="list-style-type: none"> • The Local Authorities (Standing Orders) etc Regulations 2015 (IA) • Constitution Update (MC/MP) • Market Rate Supplement Payments – Annual Update (CJ) • Local Government Pension Scheme Update (RG) • Work Programme (LM)
27 August 2015	<ul style="list-style-type: none"> • Standards Complaints – Annual Report (MC) • Work Programme (LM)
5 November 2015	<ul style="list-style-type: none"> • Work Programme (LM)
17 December 2015	<ul style="list-style-type: none"> • Local Government Pension Scheme Update (RG) • Children’s Social Worker Recruitment Update (GJ) • Pay Policy Statement 2016/17 (CJ) • Constitution Update (MP) • Work Programme (LM)
24 March 2016	<ul style="list-style-type: none"> • Standards Complaints – Six Month Update (submitted only if exceptional circumstances arise) • Work Programme (LM)

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