

LICENSING AND GENERAL PURPOSES COMMITTEE (SPECIAL) MINUTES

11 APRIL 2011

Chairman: * Councillor Mano Dharmarajah

Councillors:

* Husain Akhtar	* Ajay Maru
* Mrinal Choudhury	* Raj Ray
* David Gawn	* Stanley Sheinwald
* Susan Hall	Krishna Suresh
* Thaya Idaikkadar	* Simon Williams
* Krishna James	* Stephen Wright (2)
* Manji Kara	

In attendance: * Barry Macleod-Cullinane Minute 39
(Councillors) * Richard Romain Minutes 39 and 42

* Denotes Member present
(2) Denotes category of Reserve Member

37. Tribute to Councillor John Cowan

The Committee stood for one minute in silent tribute to Councillor John Cowan, who had died on Thursday 7 April 2011.

38. Attendance by Reserve Members

RESOLVED: To note the attendance at this meeting of the following duly appointed Reserve Member:-

Ordinary Member

Councillor John Nickolay

Reserve Member

Councillor Stephen Wright

39. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 4: Academies – Employer Contribution Rates

Councillors Mrinal Choudhury and David Gawn declared personal interests in that they were governors at Harrow schools. They would remain in the room whilst the matter was considered and voted upon.

Councillor Barry Macleod-Cullinane, who was not a member of the Committee, declared a personal interest in that his sister was a teacher at Hatch End High School. He would remain in the room whilst the matter was considered and voted upon.

Councillor Ajay Maru declared personal interests in that his wife was employed by Harrow Council as a teacher and he was a governor at Priestmead School. He would remain in the room whilst the matter was considered and voted upon.

Councillor Thaya Idaikkadar declared a personal interest in that he was a governor at Welldon Park School. He would remain in the room whilst the matter was considered and voted upon.

Councillor Richard Romain, who was not a member of the Committee, declared a personal interest in that he was a governor at Kingsley High School. He would remain in the room whilst the matter was considered and voted upon.

Councillor Stephen Wright declared a personal interest in that his wife was employed by Harrow Council as a teacher, and a prejudicial interest in that he was a governor at Canons High School, one of the schools seeking Academy status. He left the meeting at that point and took no further part in proceedings.

40. Right of Members to Speak

RESOLVED: That, in accordance with Committee Procedure Rule 4.1, the following Councillor, who was not a Member of the Committee, be allowed to speak on the agenda item indicated:

<u>Councillor</u>	<u>Agenda Item</u>
Richard Romain	4. Academies – Employer Contribution Rates

41. Deputations

RESOLVED: To note that no deputations were received at the meeting under the provisions of Committee Procedure Rule 16.

RESOLVED ITEMS

42. Academies - Employer Contribution Rates

The Committee considered a report of the Assistant Chief Executive, which set out the implications of including any schools which converted to Academy status within Harrow Council's pension fund pool. Members also received a recommendation from the Pension Fund Investment Panel, which had considered the matter on 5 April 2011.

It was reported that seven schools within the borough were investigating Academy status, and any that did so would become separate employers under the Local Government Pension Scheme (LGPS) Regulations. The schools had, however, requested participation in the current employer pool, which would result in a shared employer contribution rate and pension fund deficit.

Members received a presentation from a representative of Hymans Robertson, the Council's Actuary. The presentation set out the background to the introduction of Academies and the advice received from the Department for Education (DfE) on how Academies should be treated in the LGPS, and then explored the issues around each of the decisions that needed to be made by the Committee, of which the main ones were:

- whether Academies should be included in the Council pool;
- how the initial deficit should be calculated; and
- what deficit spread period should be used.

Members considered each of the recommendations before the Committee in turn. It was agreed that schools that applied for Academy status should not be pooled with the Council, that a separate employer contribution rate for each Academy should be established, and that no stabilisation of contributions should be applied. With regard to the period over which the deficit should be recovered, however, some Members did not agree with the officer and Pension Fund Investment Panel recommendation that this should be over 20 years. They were of the view that, in order to safeguard the pension fund, the deficit should be recovered over 7 years instead, as this was the period for which funding for Academies was guaranteed.

In response, officers stated that it was highly unlikely that after 7 years funding for Academies would be withdrawn and the Academies would close. In addition, the DfE advice was based on a 20 year spread for deficit recovery and most other Authorities were setting a deficit recovery period of 20 years.

At this point, the Conservative Group members of the Committee had to leave the meeting to attend a pre-arranged Group meeting. As the Committee had not reached agreement on the deficit recovery period or the outstanding recommendations, the remaining Members therefore agreed that the meeting be adjourned and that the Committee reconvene on 19 or 20 April, subject to consultation with the Conservative Group members.

RESOLVED: That

- (1) schools that apply for Academy status not be pooled with Harrow Council;
- (2) a separate employer contribution rate for each Academy be established;
- (3) no stabilisation of contributions be applied; and
- (4) the meeting be adjourned to 19 or 20 April, following consultation with Members.

(Note: The meeting, having commenced at 6.05 pm, adjourned at 7.18 pm).

(Signed) COUNCILLOR MANO DHARMARAJAH
Chairman