

LICENSING AND GENERAL PURPOSES COMMITTEE MINUTES

10 JULY 2012

Chairman:	* Councillor Mano Dharmarajah	
Councillors:	* Mrs Camilla Bath (1)	* John Nickolay
	* Ramji Chauhan	* Phillip O'Dell
	* Mrinal Choudhury	* Varsha Parmar
	Manji Kara	* Anthony Seymour
	* Kairul Kareema Marikar	* Sachin Shah (8)
	* Ajay Maru	* Krishna Suresh
	* Amir Moshenson	* Stephen Wright (2)

* Denotes Member present
(1), (2) and (8) Denote category of Reserve Members

75. Attendance by Reserve Members

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

Ordinary Member

Councillor Husain Akhtar
Councillor Susan Hall
Councillor William Stoodley

Reserve Member

Councillor Stephen Wright
Councillor Camilla Bath
Councillor Sachin Shah

76. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 4 – Academies: Employer Contribution Rates

Councillor Camilla Bath declared a personal interest in that she was a Local Authority appointed governor at Harrow High School, Bentley Wood High

School, Whitchurch Junior School, St George's Catholic Primary School and Rooks Heath College for Business and Enterprise. She would remain in the room whilst the matter was considered and voted upon.

Councillor Stephen Wright declared a personal interest in that he was a Local Authority appointed governor at Pinner Wood School, a co-opted governor at Canons High School and his wife was Deputy Head at the Sacred Heart Language College. He would remain in the room whilst the matter was considered and voted upon.

Councillor Ramji Chauhan declared a personal interest in that he was a parent governor at Hatch End High School. He would remain in the room whilst the matter was considered and voted upon.

Councillor Anthony Seymour declared a personal interest in that he was a governor at Pinner Park Infant and Nursery School. He would remain in the room whilst the matter was considered and voted upon.

Councillor Ajay Maru declared a personal interest in that his wife was a teaching assistant at a school in Haringey. He would remain in the room whilst the matter was considered and voted upon.

Councillor Krishna Suresh declared a personal interest in that he was a governor at Vaughan Primary School and Roxbourne School. He would remain in the room whilst the matter was considered and voted upon.

Councillor Mrinal Choudhury declared a personal interest in that he was a Local Authority appointed governor at Elmgrove Primary and Nursery School. He would remain in the room whilst the matter was considered and voted upon.

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

77. Deputations

RESOLVED: To note that no deputations were received at the meeting.

RESOLVED ITEMS

78. Academies - Employer Contribution Rates

The Panel received a report of the Corporate Director Resources which set out Employer Contribution rates for all Harrow Schools converting to Academy status and for newly established Free Schools. The report proposed the adoption of a common approach in setting the Local Government Pension Scheme (LGPS) employer contribution rates for each Academy or Free School.

The Corporate Director Resources stated that this issue had been widely debated at a previous meeting of the Pension Fund Investment Panel and three subsequent Licensing and General Purposes Committee meetings during 2011. Members of L&GP had received extensive information from different sources, including a Department for Education Briefing note, and presentations by Hymans Robertson, the Council's actuaries, which had informed their decision-making.

The Corporate Director Resources added that at its meeting of 17 May 2011, the Committee agreed the following approach and that this be adopted by the Council as a common approach in setting LGPS employer contribution rates for each Academy or Free School:

1. Schools that apply for Academy status will not be pooled with Harrow Council.
2. A separate employer contribution rate for each Academy be established.
3. No stabilisation of contributions to be applied.
4. A deficit recovery period of 20 years to be used to recover the share of deficit allocated to each Academy.
5. The 20 year recovery period to only be applicable for as long as the Academy or DfE did not give notice of exiting its status.
6. On receiving 7 years notice of exiting Academy status, the outstanding deficit be spread over the remainder of the notice period and the contribution rate be recalculated with effect from the start of the following financial year.
7. The Committee to reserve its position regarding the actuarial basis to be used for the recalculation.
8. The share of the deficit to be transferred to the schools be calculated based on the liabilities of current LGPS staff who transfer to the Academy and the estimated liability for deferred and pensioner members formally employed by the former maintained school.
9. The cost of calculating Academy specific contribution rates to be charged to each school (Academy).

The Corporate Director stated that the Committee had revised its initial decision to opt for a deficit recovery period of 7 years, and had instead opted for a deficit recovery period of 20 years, following a formal request from the 7 schools that had converted to Academy status in 2011.

Following questions and comments from Members of the Committee, the Corporate Director advised that:

- following conversion to Academy status, each School would be deemed to be a 'Scheduled body', ie a separate scheme employer and would have individual pension contribution rates. This did not mean that each Academy or Free School would be part of a separate pension fund, but rather their portion of the fund would be ring fenced;
- the 7 schools that had converted to Academy status in 2011 had chosen not to be in a single pool, and that each was paying separate employer contribution rates. However, it would be possible to pool the academies together should they request in the future;
- the overall contribution rate covers the future service rate and an additional amount to cover the past service deficit. The amount apportioned to each school would vary;
- actuarial valuation of the LGPS was carried out every three years. The valuation assessed the scheme's current valuation, liabilities and deficit, which meant that the amount of contribution was subject to change;
- PFIP was responsible for assessing and setting the Council's investment strategy with regard to the LGPS;
- the scheme's assets were shared assets and therefore each entity had its proportionate share of any liabilities;
- the deficit recovery period would not affect the pension rights of individual employees who were in the LGPS;
- new schools, such as Free Schools would not have a past service deficit apportioned to them.

Following further questions from Members of the Committee, an officer clarified that Academy Schools in other parts of the country were part their local LGPS scheme. Any Academy School that was part of a group or in a trust would still be deemed a 'Scheduled Body'.

RESOLVED: That it be agreed that the calculation of employer contribution rates for all Harrow Schools converting to Academy status and newly formed Free Schools follow the approach applied by the Council to the seven High Schools that converted to Academy status on 1 August 2011.

(The meeting, having commenced at 7.30 pm, closed at 8.13 pm).

(Signed) COUNCILLOR MANO DHARMARAJAH
Chairman