

**EXTRAORDINARY FINANCE AND ADMINISTRATION COMMITTEE
held at 6.00 pm at COUNCIL OFFICES LONDON ROAD SAFFRON
WALDEN on 14 DECEMBER 2010**

Present: Councillor R P Chambers–Chairman
Councillors J E N Davey, K L Eden, D M Jones,
A J Ketteridge, T P Knight, R M Lemon, H S Rolfe,
A D Walters and P A Wilcock.

Officers in attendance: T Cowper (Principal Accountant), S
Joyce (Assistant Chief Executive-Finance), C Roberts
(Democratic Services Officer), and A Webb (Director of
Corporate Services).

Also present P Middleman (Essex Pension Fund Actuary), M
Quinn (Head of Investments, Essex County Council) and K
McDonald (Group Manager Investments, Essex County
Council).

FA41 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors A Dean, R Clover,
G Sell, and R D Sherer.

Declarations of interest were made as follows:-

*Councillor P A Wilcock - a personal interest in the Essex Pension Fund
because he had a pension within that fund.*

FA42 PENSION FUND FUNDING STRATEGY CONSULTATION

The Assistant Chief Executive-Finance introduced experts from the Essex
County Council who had been asked to deal with the following questions:-

- Why has Uttlesford's share of the Pension Fund's assets decreased
between 2007 and 2010, whereas the total assets of the Fund have
increased?
- Why has Uttlesford's funding level fallen more sharply (14
percentage points) than the total Fund (9 percentage points)?
- What assumptions and risks arise from the "Improved Investment
Return" option (scenario 4)?
- What will be the effect of the planned TUPE transfer of Revenues &
Benefits staff to Harlow in October 2011, on (a) Uttlesford (b) Harlow
(c) the new partnership?

The three speakers outlined the particular reasons for the decline in the Council's share of the Fund assets and the sharper fall of the Council's funding level, relative to that of other members of the Fund. They responded to members' questions.

They anticipated that substantial changes to the Pension Scheme would have to be introduced in the near future to ensure longer term sustainability of the Fund.

Members were concerned about the sustainability of the Essex Pension Scheme and a debate ensued whether the Committee should endorse Scenario 5 (stable deficit payments), or Scenario 4 (reduced deficit payments).

The Assistant Chief Executive-Finance had advised that the impact of a recommendation in line with Scenario 5, if the consultation response was accepted by the Pension Fund Board, would be to commit the Council to its existing budgeted pension fund deficit contribution of £420,000 pa for the next 3 years, with modest annual increases. This had been built into the Medium Term Financial Strategy so that no additional financial pressure would arise.

RESOLVED

- 1 that the report of the Assistant Chief Executive-Finance and the presentation of the officers of the Essex County Council be noted.
- 2 that the Council endorses the fifth scenario, based upon maintaining the deficit payment at the existing level, with modest annual increases, and authorises the Assistant Chief Executive-Finance to respond to the consultation on the basis of this scenario as the preferred option, with Scenario 4 as the second most preferable one and confirmation that Scenarios 1, 2 and 3 are not acceptable.

FA43

LOCAL GOVERNMENT FINANCE SETTLEMENT 2011/2012

The announcement due to be made by the Assistant Chief Executive-Finance, concerning the Local Government Finance Settlement 2011/2012, was deferred to be made at the meeting of the Full Council at 7.30pm on the same evening.

The meeting ended at 7.25 pm.