

# **Council (Council Tax)**

## **SUPPLEMENTAL SUMMONS**

**DATE: Thursday 16 February 2012**

**8. INTEGRATED PLANNING (Pages 1 - 14)**

(A) Corporate Plan 2012/13

Recommendation I: Cabinet  
(9 February 2012)

(B) Final Revenue Budget and MTFS 2012/13 to 2014/15

Recommendation II: Cabinet  
(9 February 2012)

**9. FINAL HOUSING REVENUE ACCOUNT AND MTFS 2012/13 - 2014/15 (Pages 15 - 22)**

Recommendation III: Cabinet  
(9 February 2012)

**10. CAPITAL PROGRAMME 2012/13 TO 2014/15 (Pages 23 - 26)**

Recommendation IV: Cabinet  
(9 February 2012)

**11. TREASURY MANAGEMENT STRATEGY STATEMENT, PRUDENTIAL INDICATORS AND MINIMUM REVENUE PROVISION (MRP) POLICY AND STRATEGY 2012/13 (Pages 27 - 32)**

Recommendation V: Cabinet  
(9 February 2012)

**12. CORE STRATEGY ADOPTION (Pages 33 - 36)**

Recommendation VI: Cabinet  
(9 February 2012)

**14. PAY POLICY STATEMENT 2012/13 (Pages 37 - 50)**

Report of the Chief Executive.

**COUNCIL**  
**16 FEBRUARY 2012**

**CABINET RECOMMENDATION**  
**(9 FEBRUARY 2012)**

**RECOMMENDATIONS I and II:** **Corporate Plan 2012/13 and  
Final Revenue Budget and  
MTFS 2012/13 to 2014/15**

This page is intentionally left blank

# CABINET MINUTES

## 9 FEBRUARY 2012

**Chairman:** \* Councillor Bill Stephenson

**Councillors:**

* Bob Currie	* Graham Henson
* Margaret Davine	* Thaya Idaikkadar
* Keith Ferry	* Phillip O'Dell
* Brian Gate	* David Perry
* Mitzi Green	

**In attendance:** Susan Hall Minute 360  
**(Councillors)** Barry Macleod-Cullinane Minute 360

\* Denotes Member present

### RECOMMENDED ITEMS

#### 364. Integrated Planning

The Leader of the Council and the Portfolio Holder for Finance and Business Transformation provided an overview of how the Council was moving forward in its quest to ensure an integrated approach to planning Council business, which would entail the submission of a series of papers to Cabinet; with the Corporate Plan 2012/13 and the Final Revenue Budget and Medium Term Financial Strategy (MTFS) 2012/13 to 2014/15 leading the way.

Having proposed minor amendments to two priority actions in relation to the Corporate Plan 2012/13, the Leader outlined the Council's Modernising agenda, whilst protecting front line services, in the face of an adverse economic climate, the need to make savings, a reduced grant from the government and demographic changes which were all contributing to the various pressures on the Council. He was proud that Harrow was a low cost high performing Council and that, despite the scale and depth of the savings,

it had been recognised as the Best Achieving Council in the country by the Municipal Journal in 2011.

The Leader outlined the levels of savings that the Council had made year on year against considerable challenges, whilst also achieving an underspend in 2011/12. He was proud to be leading a Council which had achieved so much and continued to look ahead with a radical agenda and initiatives that would suit the needs of a Modern and efficient Council. He outlined the main initiatives that the Council would be progressing, as follows:

- sharing and collaborating with other boroughs and partners on service delivery;
- exploring alternative ways to deliver services that allow greater engagement of residents and the voluntary sector;
- designing services so that interventions are earlier and more targeted;
- continuing to make access to our services more convenient for customers;
- adopting a more commercial approach to Council business and continuing to modernise the Council and its services by using the latest technology, business practices and processes so they were more efficient.

He added that the Council had moved forward with the implementation of a new IT system, developed proposals for Mobile and Flexible working, had plans to reduce the number of senior managers, was procuring services and introducing commercial practices where these would benefit the Council and its residents. The Council was moving towards a paradigm shift and the removal of silo working. It was embarking on a new relationship with its residents and Partners under the "Let's Talk" initiative, which had allowed the Council to engage fully with residents who had helped to shape Harrow by participating in budget decisions. This method of engagement would be applied long term. Moreover, additional services were being provided by Access Harrow and it was intended to build on this provision. A major regeneration programme was also planned with the Town Centre, Kodak Centre and Lion House taking priority.

The Leader referred to the administration's position in relation to Council Tax, on which a nil increase had been proposed for 2012/13. However, it was unlikely that the Council would be able to place a freeze on Council Tax in 2013/14.

In summing up, the Leader paid tribute to the Chief Executive for taking the Council forward and was assured that this momentum would continue in order to ensure that the residents of Harrow received the best service available.

**(a) Key Decision: Integrated Planning - Corporate Plan 2012/13:**

Cabinet received a report of the Assistant Chief Executive, which set out the strategic direction for the Council, Priorities for Harrow, these being the Modernising the Council and Protecting Frontline Services, Council Priorities and Priority Actions. The report described and illustrated the Programmes against which the Council would be judged, including how these would be funded in the context of the Council's integrated planning agenda.

**Resolved to RECOMMEND:** (to Council)

That the Corporate Plan 2012/13 be adopted, subject to the following amendments:

Priority Action, 'Reduce the amount waste produced by the borough', to include the following measures:

1. Number of Home Composting kits taken up by Harrow residents. Each Home Composter diverts 150 kg of waste;
2. Two West London Waste 'Let's get cooking clubs' set up in Harrow, which are projected to reduce waste by 27 tonnes.

Priority Action, 'Deliver improved performance of our Highways through a more efficient contract' to include the following measure 'Ensure the projected efficiencies are delivered'.

**RESOLVED:** That the Leader of the Council be authorised to make any minor amendments to the Corporate Plan 2012/13, as necessary, prior to the matter going to Council for adoption.

**Reason for Decision:** To update the Council's Policy Framework and set out the Council's Direction of Travel for 2012/13.

*[Call-in does not apply to the Recommendation to Council].*

**(b) Key Decision: Integrated Planning - Final Revenue Budget and MTFs 2012/13 to 2014/15:**

Cabinet received a report of the Interim Corporate Director Resources, which set out the final proposed Revenue Budget for 2012/13 and the Medium Term Financial Strategy (MTFS) to 2014/15.

The Revenue Budget set out the Council Tax Strategy and spending plans, including new investment and savings proposals which were challenging due to the adverse economic climate. The focus was on ensuring that further changes to service delivery were innovative, robust and deliverable whilst ensuring that they minimised the risk to the vulnerable or result in service failure.

The Corporate Director Resources introduced the report, which also set out the impact of the investment and savings proposals and included information

on the local government settlement, reserves policy and consultation on the budget. The report covered all of the Council's main activities, including schools.

The Corporate Director outlined the financial context which underpinned the way in which the Council operated and would continue to do so. She added that the budget for 2012/13 was balanced and identified the funding gaps for 2013/14 and 2014/15, and noted that the administration's desire was to make savings whilst minimising the overall impact on services provided. She referred to the Council Tax Support Grant Scheme and outlined how this would impact upon future years. She explained that the government had offered local authorities a similar grant in 2012/13 to enable Councils to reduce Council Tax increases by 2.5% but that this was a significant departure from the previous year's scheme in that it was only being given for one year. The effect of this grant falling out in 2013/14 on Harrow was that it would increase the funding gap by £2.6m.

A summary of the budget proposals were alluded upon and the Corporate Director briefed Cabinet on the impact of these proposals on the services provided by the Directorates. As a result, an equality impact assessment had been carried out for each proposal depending on the extent of the impact and had been made available on the intranet for the decision makers to visit in approving the budget for 2012/13. Moreover, consultation was ongoing as required by law. Flexibility had been retained within the budget to cover for any eventualities, particularly if, as a result of the consultation and equality impact assessment, some proposals could not be implemented. In such instances, the Directorates would develop alternative plans to put in place to help mitigate any impact. The Corporate Director stressed that this approach would help counteract comments about predetermination.

Cabinet noted that a details risk assessment of the budget had been carried out, including the reserves policy being recommended. The Corporate Director identified the significant risks for 2012/13 and pointed out that, overall, the types of risks were rising. As a result, it was prudent to increase the desired range of reserves held and whilst the Council was 'comfortable' with holding £7m reserves, it would be advisable to increase this sum.

In summing up, the Corporate Director Resources, in her capacity as the Council's Chief Finance Officer and in complying with the requirements of part II of the Local Government Act 2003, commented on the robustness of the budget including the adequacy of the reserves and provision. She stated that the budget was robust and that it included a significant level of growth but that there were risks associated. She referred to the amended Council Tax resolution which had been revised and tabled at the meeting due to the changes to the GLA precept.

The Leader of the Council stated that the budget for 2012/13 was prudent, whilst acknowledging the uncertainty surrounding the budget for future years.

**Resolved to RECOMMEND:** (to Council) That



- (1) the budget be approved to enable the Council Tax for 2012/13 to be set;
- (2) the policy on the use of the contingency, at appendix 7 to the report, be approved;
- (3) the schools budget at appendix 8 to the report be approved;
- (4) the reserves policy at appendix 10 to the report be approved;
- (5) the virement rules, set out in appendix 11 to the report, be approved;
- (6) Members' Allowances be frozen and the current approved Members' Allowances Scheme be adopted for 2012/13;
- (7) in the event that responsibility for Public Health is transferred to the Council during 2012/13, authority be delegated to the Interim Corporate Director Resources to incorporate the transferred amount into the budget;
- (8) the amended model Council Tax resolution tabled at the meeting and attached at appendix I to the minutes be approved.

**Reason for Decision:** To ensure that the Council sets a balanced budget for 2012/13.

*[Call-in does not apply to the Recommendation].*

**Model Council Tax Resolution**

# Harrow Council

**Council Tax Resolution 2012-2013**

Council is requested to determine the level of the Council Tax for 2012-2013 in the light of the information on the precept and make the calculations set out in the resolution shown below.

- (1) To note that at its meeting on 15 December 2011 Cabinet agreed the amount of 88,140 as its Council Tax Base for the year 2012-2013. [Item T in the formula in Section 31B of the Local Government Finance Act (LGFA) 1992, as amended (the "Act")].
- (2) That the following amounts be now calculated by the Council for the year 2012-2013, in accordance with Sections 31A, 31B and 34 to 36 of the Act:
- (i) Being the aggregate of the amounts which the Council estimates for items set out in Section 31A (2) (a) to (f) of the LGFA 1992 (A). £582,789,314
  - (ii) Being the aggregate of the amounts which the Council estimates for items set out on Section 31A (3) (a) to (d) of the LGFA 1992 (B). £409,676,096
  - (iii) Being the council tax requirement in accordance with Section 31A (4), by which the aggregate at (2(i)) above exceeds the aggregate at (2(ii)) above. £104,582,517
  - (iv) Being the basic amount of Council Tax for the year, being the Council Tax Requirement at(2(iii)) above, divided by the Council Tax Base set out at (1) above, in accordance with Section 31B(i) of the Act. £1,186.55

(v) Valuation Bands

	A	B	C	D	E	F	G	H
£	791.03	922.87	1,054.71	1,186.55	1,450.23	1,713.90	1,977.58	2,373.10

Being the amounts given by multiplying the amount at (iv) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D excluding precepts from any other authority.

- (3) That it be noted that for 2012-2013 the Greater London Authority stated the following amount in precept issued to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

Valuation Bands

	A	B	C	D	E	F	G	H
£	204.48	238.56	272.64	306.72	374.88	443.04	511.20	613.44

- (4) Agree that the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts of Council Tax for 2012-13 for each part of its area and for each of the categories of dwellings as shown in the table below.

Valuation Bands

	A	B	C	D	E	F	G	H
£	995.51	1,161.43	1,327.35	1,493.27	1,825.11	2,156.95	2,488.78	2,986.54

- (5) Determine that the Council's basic amount of Council Tax for 2012-13 is not excessive in accordance with the principles approved under section 52ZC Local Government Finance Act 1992.

**HARROW COUNCIL**  
**REVENUE BUDGET SUMMARY 2012-2013**

	2011-2012 Original Budget £000	2012-2013 Original Budget £000
<b>Local Demand - Borough Services</b>		
Adults and Housing	67,508	66,431
Children's Services	40,852	39,475
Community and Environment	43,986	48,674
Place Shaping	4,382	3,547
Legal and Governance	3,566	3,379
Assistant Chief Executive	12,275	3,854
Corporate Finance	7,834	18,634
Transformation Programme	-389	-519
<b>Total Directorate Budgets</b>	<b>180,014</b>	<b>183,475</b>
Corporate items	2,213	148
Provisions for debt/litigation	325	425
Capital Financing adjustments	-4,463	-8,327
Council Tax Support Grant	-2,580	-2,608
<b>Total Net Expenditure</b>	<b>175,509</b>	<b>173,113</b>
Collection Fund Surplus b/f	-1,978	-1,335
Formula Grant	-70,126	-67,196
<b>Local Demand on Collection Fund</b>	<b>103,405</b>	<b>104,582</b>
<b>Funds / Balances</b>		
Balances Brought Forward	7,000	7,000
Adjustment to Balances	0	0
Balances Carried Forward	<b>7,000</b>	<b>7,000</b>
<b>Council Tax for Band D Equivalent</b>		
Harrow (£)	<b>1,186.55</b>	<b>1,186.55</b>
<u>Increase</u> Harrow (%)	<b>0.00%</b>	<b>0.00%</b>
<b>Taxbase</b>	<b>87,148</b>	<b>88,140</b>

Following the publication of the Cabinet Decision Notice, minor drafting changes were made to the Model Tax Resolution. The amended version below is the Resolution for Council decision making purposes.

## Model Council Tax Resolution

# Harrow Council

## Council Tax Resolution 2012-2013

Council is requested to determine the level of the Council Tax for 2012-2013 in the light of the information on the precept and make the calculations set out in the resolution shown below.

- (1) To note that at its meeting on 15 December 2011 Cabinet agreed the amount of 88,140 as its Council Tax Base for the year 2012-2013. [Item T in the formula in Section 31B of the Local Government Finance Act (LGFA) 1992, as amended (the "Act")].
- (2) That the following amounts be now calculated by the Council for the year 2012-2013, in accordance with Sections 31A, 31B and 34 to 36 of the Act:
- (i) Being the aggregate of the amounts which the Council estimates for items set out in Section 31A (2) (a) to (f) of the Act . £582,789,314
  - (ii) Being the aggregate of the amounts which the Council estimates for items set out on Section 31A (3) (a) to (d) of the Act . £409,676,096
  - (iii) Being the Council Tax Requirement for the year calculated in accordance with Section 31A (4) of the Act, namely the amount by which the aggregate at (2(i)) above exceeds the aggregate at (2(ii)) above. £104,582,517
  - (iv) Being the basic amount of Council Tax for the year, being the Council Tax Requirement at (2(iii)) above, divided by the Council Tax Base set out at (1) above, in accordance with Section 31B(i) of the Act. £1,186.55
  - (v) Valuation Bands

	A	B	C	D	E	F	G	H
£	791.03	922.87	1,054.71	1,186.55	1,450.23	1,713.90	1,977.58	2,373.10

Being the amounts given by multiplying the amount at (iv) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D excluding precepts from any other authority.

(3)

That it be noted that for 2012-2013 the Greater London Authority stated the following amount in precept issued to the Council, in accordance with section 40 of the Act, for each of the categories of dwellings shown below.

Valuation Bands

	A	B	C	D	E	F	G	H
£	204.48	238.56	272.64	306.72	374.88	443.04	511.20	613.44

(4)

Agree that the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts of Council Tax for 2012-13 for each part of its area and for each of the categories of dwellings as shown in the table below.

Valuation Bands

	A	B	C	D	E	F	G	H
£	995.51	1,161.43	1,327.35	1,493.27	1,825.11	2,156.95	2,488.78	2,986.54

(5) Determine for the purposes of section 52ZB and 52ZC of the Act that the Council's basic amount of Council Tax for 2012-13 is not excessive in accordance with the principles approved under section 52ZC of the Act .

**HARROW COUNCIL**  
**REVENUE BUDGET SUMMARY 2012-2013**

	2011-2012 Original Budget £000	2012-2013 Original Budget £000
<b>Local Demand - Borough Services</b>		
Adults and Housing	67,508	66,431
Children's Services	40,852	39,475
Community and Environment	43,986	48,674
Place Shaping	4,382	3,547
Legal and Governance	3,566	3,379
Assistant Chief Executive	12,275	3,854
Corporate Finance	7,834	18,634
Transformation Programme	-389	-519
<b>Total Directorate Budgets</b>	<b>180,014</b>	<b>183,475</b>
Corporate items	2,213	148
Provisions for debt/litigation	325	425
Capital Financing adjustments	-4,463	-8,327
Council Tax Support Grant	-2,580	-2,608
<b>Total Net Expenditure</b>	<b>175,509</b>	<b>173,113</b>
Collection Fund Surplus b/f	-1,978	-1,335
Formula Grant	-70,126	-67,196
<b>Local Demand on Collection Fund</b>	<b>103,405</b>	<b>104,582</b>
<b>Funds / Balances</b>		
Balances Brought Forward	7,000	7,000
Adjustment to Balances	0	0
Balances Carried Forward	<b>7,000</b>	<b>7,000</b>
<b>Council Tax for Band D Equivalent</b>		
Harrow (£)	<b>1,186.55</b>	<b>1,186.55</b>
<u>Increase</u> Harrow (%)	<b>0.00%</b>	<b>0.00%</b>
<b>Taxbase</b>	<b>87,148</b>	<b>88,140</b>

This page is intentionally left blank



**COUNCIL**  
**16 FEBRUARY 2012**

**CABINET RECOMMENDATION**  
**(9 FEBRUARY 2012)**

**RECOMMENDATION III:**      **Final Housing Revenue  
Account and MTFs 2012/13 –  
2014/15**

This page is intentionally left blank

# CABINET MINUTES

## 9 FEBRUARY 2012

**Chairman:** \* Councillor Bill Stephenson

<b>Councillors:</b>	* Bob Currie	* Graham Henson
	* Margaret Davine	* Thaya Idaikkadar
	* Keith Ferry	* Phillip O'Dell
	* Brian Gate	* David Perry
	* Mitzi Green	

<b>In attendance: (Councillors)</b>	Susan Hall	Minute 360
	Barry Macleod-Cullinane	Minute 360

\* Denotes Member present

### RECOMMENDED ITEMS

**365. Key Decision: Housing Revenue Account Budget 2012/13 and MTFS 2013/14 to 2014/15**

Cabinet received a joint report of the Interim Corporate Director of Resources and the Corporate Director Community Health and Wellbeing, setting out the Housing Revenue Account (HRA) Budget for 2012/13 and Medium Term Financial Strategy (MTFS) to 2014/15.

The Portfolio Holder for Housing reported that the Council had a statutory obligation to agree and publish the HRA Budget for 2012/13. The Medium Term Financial Strategy for 2013/14 and 2014/15 set out the indicative income and expenditure for the HRA for the period and showed how the income collected would be spent in the management and maintenance of the Council's stock and in meeting its obligations as a landlord. He added that the HRA budget for 2012/13 was for a year only in order to enable the Council to analyse, consult and quantify the financial benefits of HRA reform, policy

and financial implications, including changes that the government might make as part of its consultation exercise. Thereafter, it was intended to present a 30-year HRA Business Plan to Cabinet in May 2012 that took all eventualities on board.

The Portfolio Holder added the HRA budget and the MTFs showed a significant improved position to that reported last year, the majority of which were attributable to the updated Rental Strategy and the freeing up of additional resources as a result of the reforms. Moreover, the benefits associated with the HRA reforms were in the region of £2m per annum and provided an opportunity to invest in repairs, resident engagement, reducing pressures in temporary accommodation and providing new affordable housing, to name a few.

The Portfolio Holder outlined the consultation that had taken place, including with the Tenants', Leaseholders' and Residents' Consultative Forum and he outlined their aspirations. In summing up, the Portfolio Holder thanked the work done by the Housing Policy Task Group and officers, including the Portfolio Holders that had supported the work, particularly the Leader of the Council. He commended the report to Cabinet.

The Leader of the Council welcomed the changes to the HRA budget and was pleased that the changes would benefit Harrow. The benefits to Harrow of £2m per annum would help the Council move service issues forward. In addition, the preferential rates offered by the Public Works Loans Board (PWLb) to fund additional debt for up to 50 years was welcomed and would help the Council fulfill a range of objectives that the tenants had asked for such as stock improvement through investment, an ongoing repairs service and payment of HRA debt. He would also welcome the provision of additional affordable housing. He was pleased with the positive overall situation on the HRA, particularly as the administration had inherited a dysfunctional HRA.

The Portfolio Holder for Housing was commended for his work in the Housing field, include his extensive knowledge of this area.

**Resolved to RECOMMEND:** (to Council) That

- (1) the borrowing of additional debt as a consequence of the Housing Revenue Account (HRA) reform for a fixed rate over 50 years with the continuation of a single pooled approach to the management of debt be approved;
- (2) it be noted that the Tenants' Leaseholders' and Residents' Consultative Forum had given conditional support to a 50 year loan and single pool arrangement provided there was some form of "guarantee" that the Council would deliver the total package of measures to address housing service pressures;
- (3) the HRA budget for 2012/13, set out at appendix II to the minutes to the report, be approved;

- (4) the HRA Capital Programme, as detailed in Appendix III to the minutes, be approved and the balance of the £500k Section 106 monies allocated to extensions for Council homes approved in March 2008 for the financial years 2008/2010 be extended to 31 March 2013.

**Reason for Decision:** To publish the final HRA budget and set Council rents and other charges for 2012/13.

*[Call-in does not apply to the Recommendation].*

## APPENDIX II

### HRA Budget 2012-13 and MTFS 2013-14 to 2014-15- Expenditure

	Budget 2012-13 (Feb 2011) £	Budget 2012-13 (latest) £	Budget 2013-14 (proposed) £	Budget 2014-15 (proposed) £
<b>Operating Expenditure:</b>				
Employee Costs	1,466,670	2,094,741	2,014,747	2,013,620
Supplies & Services	639,260	707,360	711,460	713,347
Utility cost (Water & Gas)	679,000	551,007	594,438	641,980
Estate & Sheltered Services	2,774,510	2,207,096	2,345,300	2,513,044
Central Recharges	3,088,770	3,345,714	3,412,628	3,480,880
<b>Operating Expenditure</b>	<b>8,648,210</b>	<b>8,905,918</b>	<b>9,078,573</b>	<b>9,362,871</b>
<b>Repairs Expenditure:</b>				
Repairs - Voids	636,410	689,250	730,000	700,000
Repairs - Responsive	2,744,430	2,436,612	2,578,289	2,747,751
Repairs – Other	2,091,140	2,365,521	2,341,412	2,367,105
<b>Total Repairs Expenditure</b>	<b>5,471,980</b>	<b>5,491,383</b>	<b>5,649,701</b>	<b>5,814,856</b>
<b>Other Expenditure:</b>				
Contingency - General	200,000	200,000	200,000	200,000
Investment in Services	0	900,000	1,400,000	1,300,000
Bad or Doubtful Debts	200,000	200,000	200,000	200,000
RCCO	0	0	440,372	1,979,800
Charges for Capital	2,770,420	6,420,024	6,397,124	6,349,444
Depreciation	4,148,000	5,991,190	6,111,000	6,233,200
HRA Subsidy	6,988,350	0	0	0
<b>Total Other Expenditure</b>	<b>14,306,770</b>	<b>13,711,214</b>	<b>14,748,496</b>	<b>16,262,444</b>
<b>Total Expenditure</b>	<b>28,426,960</b>	<b>28,108,515</b>	<b>29,476,770</b>	<b>31,440,171</b>

### HRA Budget 2012-13 and MTFS 2013-14 to 2014-15 - Income

	Budget 2012-13 (Feb 2011) £	Budget 2012-13 (latest) £	Budget 2013- 14 (proposed) £	Budget 2014- 15 (proposed) £
<b>Income</b>				
Rent Income – Dwellings	-25,397,420	-26,205,980	-27,151,130	-28,129,310
Rent Income – Non Dwellings	-761,970	-684,491	-686,101	-687,706
Service Charges - Tenants	-665,540	-686,121	-703,203	-720,709
Service Charges – Leaseholders	-760,410	-548,550	-556,868	-565,589
Facility Charges (Water & Gas)	-517,320	-515,960	-526,279	-536,805
Interest	-6,120	-4,000	-4,000	-4,000
Other Income	-183,010	-83,000	-83,000	-83,000
Transfer from General Fund	-163,000	-163,000	-163,000	-163,000
<b>Total Income</b>	<b>-28,454,790</b>	<b>-28,891,102</b>	<b>-29,873,581</b>	<b>-30,890,119</b>
<b>In Year Deficit / (Surplus)</b>	<b>-27,830</b>	<b>-782,587</b>	<b>-396,811</b>	<b>550,052</b>
<b>BALANCE brought forward</b>	<b>-2,681,730</b>	<b>-2,422,353</b>	<b>-3,204,940</b>	<b>-3,601,751</b>
<b>BALANCE carried forward</b>	<b>-2,709,560</b>	<b>-3,204,940</b>	<b>-3,601,751</b>	<b>-3,051,699</b>

**APPENDIX III**

**HRA Capital Programme**

	<b>2012-13 No. of properties</b>	<b>2011-12 £</b>	<b>2012-13 £</b>	<b>2013-14 £</b>	<b>2014-15 £</b>
Capitalised salaries	-	310,000	310,000	317,750	326,000
Contingency	-	50,000	-	-	-
Major voids	30	50,000	75,000	76,870	78,800
Kitchens including rewiring	200 300	625,000 500,000	800,000 700,000	820,000 717,500	842,000 736,000
Bathroom including rewiring	1,000 100	625,000 500,000	500,000 250,000	512,500 256,250	525,000 263,000
Health & Safety programme	300 40	900,000 480,000	2,352,350 400,000	2,411,160 512,500	2,672,000 525,320
Gas heating programme	120 200	300,000 700,000	300,000 50,000	307,500 51,250	315,220 52,550
Enveloping programme	70	500,000	200,000	205,000	210,130
Door entry upgrade/renewal	5 7	25,000 -	25,000 50,000	25,630 51,250	26,300 52,530
Lifts	5	250,000	350,000	256,250	262,660
Digital TV aerials	120	250,000	275,000	281,880	288,920
Electric night storage heating	60 120	100,000 30,000	125,000 60,000	128,100 61,500	131,330 63,040
Water tank replacement	100	600,000	600,000	615,000	630,400
Sheltered warden voids	-	-	75,000	76,870	78,800
Structural issues / drainage	- 300	- -	- 1,500,000	256,240 -	262,000 -
Boiler replacement programme	-	(635,000)	-	-	-
Partial heating upgrade Garages Aids & Adaptations Capitalisation – response repairs Develop wider Housing initiatives Carried Forward Less : overprogramming					
<b>Council Funded expenditure</b>	<b>3,175</b>	<b>6,160,000</b>	<b>8,997,350</b>	<b>7,941,000</b>	<b>8,342,000</b>
Grant funded Extensions	3	200,000	200,000	-	-
<b>Total HRA Capital Programme</b>	<b>3,175</b>	<b>6,360,000</b>	<b>9,197,350</b>	<b>7,941,000</b>	<b>8,342,000</b>



**COUNCIL**  
**16 FEBRUARY 2012**

**CABINET RECOMMENDATION**  
**(9 FEBRUARY 2012)**

**RECOMMENDATION IV:**      **Capital Programme 2012/13  
to 2014/15**

This page is intentionally left blank

# CABINET MINUTES

## 9 FEBRUARY 2012

**Chairman:** \* Councillor Bill Stephenson

**Councillors:**

* Bob Currie	* Graham Henson
* Margaret Davine	* Thaya Idaikkadar
* Keith Ferry	* Phillip O'Dell
* Brian Gate	* David Perry
* Mitzi Green	

**In attendance:** Susan Hall Minute 360  
**(Councillors)** Barry Macleod-Cullinane Minute 360

\* Denotes Member present

### RECOMMENDED ITEMS

#### 366. Key Decision: Capital Programme 2012/13 to 2014/15

Cabinet considered a report of the Interim Corporate Director Resources, which proposed the Capital Programme for 2012/13 and the indicative programmes for 2013/14 to 2014/15 that formed part of the annual budget review process.

The Leader of the Council set out the context in which the Capital Programme had been prepared, such as increased revenue pressures, reduced external funding from the government and difficult property market conditions. As a result, a 3-year rolling Capital Programme had been established and a new Capital Strategy devised to allow the Council's Capital funds to be allocated in a manner which benefited the people of Harrow in line with the priorities of the Council.

The Leader added that the bids for Capital Funding were validated by a Capital Bid Validation Panel, which was chaired by the Corporate Director Resources, with the Leader having a final say in the outcomes of the bidding process. A balanced score card was used and the Panel also scrutinised the basic details and facts on the project including revenue and capital financial implications. He considered this to be a step forward in ensuring a consistent approach across all project bids put forward.

The Corporate Director Resources explained how the Capital Programme was funded and that, in the light of considerable pressures, a range of funding and accounting options had been considered. This had resulted in the inclusion over and above the main Capital Programme of four other projects, such as the School Expansion Programme, Transformation New Projects, Land Acquisitions and Re:FIT Carbon Reduction Programme. Individual projects would require Cabinet approval and that for the Transformation New Projects, a 3-year payback period had been agreed to reduce the burden on the Council. A similar approach would be taken for land acquisitions. The Re:FIT Programme would be funded from the savings from efficiency generated.

**Resolved to RECOMMEND:** (to Council)

That the Capital Programme, as detailed in Annex 1 to the report, and the Capital Strategy, at Annex 2 to the report, be approved.

**RESOLVED:** That the Capital Strategy, at Annex 2, be approved.

**Reason for Decision:** To enable the Council to have an approved Capital Programme for 2012/13 to 2014/15.

*[Call-in does not apply to the Recommendation].*

**COUNCIL**  
**16 FEBRUARY 2012**

**CABINET RECOMMENDATION**  
**(9 FEBRUARY 2012)**

**RECOMMENDATION V:**      **Treasury Management  
Strategy Statement,  
Prudential Indicators and  
Minimum Revenue Provision  
(MRP) Policy and Strategy  
2012/13**

This page is intentionally left blank

# CABINET MINUTES

## 9 FEBRUARY 2012

**Chairman:** \* Councillor Bill Stephenson

**Councillors:**

* Bob Currie	* Graham Henson
* Margaret Davine	* Thaya Idaikkadar
* Keith Ferry	* Phillip O'Dell
* Brian Gate	* David Perry
* Mitzi Green	

**In attendance:** Susan Hall Minute 360  
**(Councillors)** Barry Macleod-Cullinane Minute 360

\* Denotes Member present

### RECOMMENDED ITEMS

**367. Key Decision: Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision (MRP) Policy and Strategy 2012/13**

Cabinet considered a report of the Corporate Director Resources, which set out the Council's Treasury Management Strategy Statement, Prudential Indicators and Minimum Revenue Provision (MRP) Policy for 2012/13.

The Corporate Director explained that Treasury Management was the management of the Council's investments and cash flows, its banking, money market and debt transactions together with the effective control of the risks associated with those activities. She added that the report correlated with the Capital Programme, which was both prudent and sustainable. She outlined the provisions of the Local Government Act 2003, which required local authorities to set out its Treasury Strategy for Borrowing and prepare an Annual Investment Strategy that established the policies for managing

investments and giving priority to the security and liquidity of those investments. Moreover, the Governance, Audit and Risk Management Committee would review and scrutinise the Strategies.

Cabinet was informed that the Council was committed to the principle of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management. The proposals in the report underpinned this commitment. The Prudential Indicators provided an overview of the Capital expenditure plans which were the key drivers of the Treasury Management activity.

The Corporate Director highlighted the key aspects, as follows:

- the net borrowing in relation to the Housing Revenue Account (HRA), which examined the change in debt less investment balances year on year. She explained that the increase in the current year was due to the HRA settlement payment, whilst for future years the General Fund Programme would continue to require external borrowing;
- the proposed debt pooling arrangements would benefit the Council.

During the presentation on the report, the Corporate Director made some minor amendments to the report, whilst clarifying the position in relation to the Borrowing Strategy and the Base Rate, the latter of which remained unchanged. Some minor amendments were referred to by the Corporate Director to the report, including an explanation of the pooling arrangements and how these would work together with the Counterparty Policy which would help meet gaps in the Council's budget as the proposed change would allow the Council to earn more investment income without exposing the Council to a materially higher risk.

**Resolved to RECOMMEND:** (to Council)

That, subject to the amendments to table 8 and paragraph 31 'Borrowing and Investment Limits' and the tables at paragraph 59 'Specified Investments' and 'Non-Specified Investments' of the report as set out below,

- (1) the Treasury Management Strategy and Prudential Indicators be approved;
- (2) the Minimum Revenue Provision Policy and Strategy for 2012/13 be approved.



**Table 8**

Table 8	2010/11	2011/12	2012/13	2013/14	2014/15
	actual	forecast outturn	estimate	estimate	estimate
	£'m	£'m	£'m	£'m	£'m
<b>Authorised Limit for external debt</b> Borrowing and finance leases	288	377	432	447	455
<b>Operational Boundary for external debt</b> Borrowing	262	351	376	397	417
Other long term liabilities	26	26	28	25	24
<b>Total</b>	288	377	404	422	441
<b>Upper limit for fixed interest rate exposure</b> Net principal re fixed rate borrowing	262	351	376	397	417
<b>Upper limit for variable rate exposure</b> Net principal re variable rate borrowing	0	0	0	0	0
Upper limit for principal sums invested over 364 days	18	13	25	25	25

**Paragraph 31**

The final set of indicators is the debt and investment limits. The operational boundary is based on current debt plus the impact of net capital expenditure in each of the next three years. The current expectation is that the capital programme will be funded from existing cash balances. The authorised limit is based on CFR balances and includes an allowance for delayed capital receipts.

**Paragraph 59**  
**Specified investments**

Instrument	Minimum Credit Criteria	Use
Debt Management Agency Deposit Facility	Government backed	In-house
Term deposits – other LAs	Local Authority issue	In-house
Term deposits – banks and building societies	AA- Long Term F1+Short-term 2 Support AA- Viability AAA Sovereign	In-house
Money Market Funds	AAA	In-house

## Non-Specified Investments

	<b>Minimum Credit Criteria</b>	<b>Use</b>	<b>Max % of total investments</b>	<b>Max. maturity period</b>
Term deposits – banks and building societies	A Long Term F1 Short-term 1 Support A Viability UK or AAA Sovereign	In-house	50%	3 months
UK nationalised Banks [RBS & Lloyds / HBOS]	F1 Short-term 1 Support	In-house	30% for each of the two Groups	36 months
Callable Deposits	F1 Short term A Long Term 1 Support	In-house	20%	3 months

*[Call-in does not apply to the Recommendation].*

**COUNCIL**  
**16 FEBRUARY 2012**

**CABINET RECOMMENDATION**  
**(9 FEBRUARY 2012)**

**RECOMMENDATION VI:      Core Strategy Adoption**

This page is intentionally left blank

# CABINET MINUTES

## 9 FEBRUARY 2012

**Chairman:** \* Councillor Bill Stephenson

**Councillors:**

* Bob Currie	* Graham Henson
* Margaret Davine	* Thaya Idaikkadar
* Keith Ferry	* Phillip O'Dell
* Brian Gate	* David Perry
* Mitzi Green	

<b>In attendance:</b>	Susan Hall	Minute 360
<b>(Councillors)</b>	Barry Macleod-Cullinane	Minute 360

\* Denotes Member present

### RECOMMENDED ITEMS

#### 368. Key Decision: Core Strategy Adoption

The Portfolio Holder for Planning, Development and Enterprise introduced the report, which documented the outcome of the independent Examination in Public of Harrow's Core Strategy and advised that the Strategy would be reported to Council for adoption as part of the Development Plan for Harrow.

The Portfolio Holder was proud to be associated with the Strategy, and informed Cabinet that the provisions of the Planning and Compulsory Purchase Act made the Inspector's Report binding upon local authorities. The only option that could have been considered was the withdrawal of the Core Strategy. He drew Members' attention to the feedback received from the Local Development Framework Panel and the Overview and Scrutiny Committee on the Core Strategy.

The Portfolio Holder and the Corporate Director Place Shaping wished to place on record their thanks to the Local Development Framework Team Leader and his team for their work in ensuring successful and positive outcomes for the Core Strategy which would shape the future of the borough. Officers were also commended for their participation with other Directorates and the joint working arrangements that had been put in place.

The Leader of the Council congratulated officers on their achievements, including the transparency of the whole process.

**Resolved to RECOMMEND:**

That the Core Strategy be adopted, as part of the Development Plan for Harrow.

**Reason for Decision:** To progress the Core Strategy to adoption in accordance with the current Local Development Scheme. To ensure that an up to date Development Plan for the borough was in place and to comply with regulatory requirements.

*[Call-in does not apply to the Recommendation].*

**COUNCIL**  
**16 FEBRUARY 2012**

**PAY POLICY STATEMENT 2012/13**

This page is intentionally left blank



## **REPORT FOR: COUNCIL**

---

<b>Date of Meeting:</b>	16 February 2012
<b>Subject:</b>	Pay Policy Statement 2012/13
<b>Exempt:</b>	No
<b>Enclosures:</b>	Appendix 1 – Draft Pay Policy Statement 2012/13

### **Section 1 – Summary and Recommendations**

This report sets out the Council's draft Pay Policy Statement 2012/13, for publication by 31 March 2012

**Recommendations:**

The Council is requested to agree the Pay Policy Statement 2012/13 for publication on the Council's website

### **Section 2 – Report**

The Localism Act 2011 (the Act), parts of which became law in November 2011, introduces the requirement for Local Authorities to agree and publish an annual Pay Policy Statement by 31<sup>st</sup> March 2012.

The Department for Communities & Local Government (DCLG) also published, for consultation, draft guidance on 'Openness and accountability in local pay'.

The Pay Policy Statement at appendix 1 has been drafted to meet the requirements of the Act. It sets the context for the Council's pay policy and details its approach to pay and remuneration for its employees and specifically for its senior managers and lowest paid employees.

Council are recommended to agree the draft Pay Policy Statement 2012/13 and that it be published on the Council's website.

### **Other options considered**

None - Agreement to and publication of an annual Pay Policy Statement is a statutory requirement.

### **Implications of the Recommendation**

The Council's employees are its most valuable resource and remuneration at all levels needs to be adequate to recruit and retain high quality employees dedicated to the service of the public. Given that the Council also has a requirement to make significant savings as a result of public spending cuts, it is equally important that remuneration is not unnecessarily generous or otherwise excessive and that there is transparency and openness in the way the Council remunerates its employees.

In March 2011, the Council commenced a project to modernise terms and conditions of employment for non-teaching employees. The project objectives are to:

- |                     |   |
|---------------------|---|
| Modernise:          | to support the future needs of the Council  |
| Simplify:           | wherever possible, to make terms and conditions easier to understand and to reduce unnecessary processes            |
| Reduce cost:        | to seek to reduce the costs of terms and conditions of employment   |
| Give greater choice | to continue to have core terms and conditions but to provide each individual with an element of choice beyond that. |

These objectives are set out within the Pay Policy Statement for 2012/13.

The Council's Medium Term Financial Strategy (MTFS) 2012/13 (reported elsewhere on this Agenda) includes savings identified from the project to modernise terms and conditions of employment.

A range of modernising options has been considered in consultation with the trade unions, management and the workforce. Formal negotiations commenced with the non-teaching trade unions in November 2011 but it has not been possible to reach a collective agreement with them on the modernising approach to terms and conditions of employment.

Cabinet have therefore instructed that the Chief Executive, in consultation with the Leader and Portfolio Holder:

1. Develop a proposition which meets the needs of the Council on which to consult non-teaching staff;

2. Consult directly with non-teaching staff and if appropriate;
  - to modify that proposition in the light of consultation and/or;
  - to undertake a ballot of non-teaching staff on the final proposition; and
  - to take action as necessary to implement new terms and conditions of employment for non-teaching staff.

The Executive will consider and implement any changes to the pay, terms and conditions of Council employees in accordance with the Council's Pay Policy Statement.

## **Equalities impact**

The modernising proposals have a differential impact and an Equalities Impact Assessment has been carried out which identified a range of equalities considerations and potential impacts as highlighted below:

A percentage reduction in basic pay would impact on each employee to the same proportion.

### **Age**

The council has an aging workforce with most between the ages of 45 and 54 at all levels of the workforce. The proposal to reduce basic pay for senior management is more likely to impact on workers in this age range.

The proposal to raise the minimum salary to meet the London Living Wage is more likely to affect younger workers.

The age profile for the workforce demonstrates that there are a higher number of employees in the 45-54 year age range in all pay bands than any other age range.

### **Sex**

Almost 76% of the council's workforce is women. However a smaller proportion are contracted to work overtime or carry out ad hoc overtime (63%). The proposal to introduce plain time for overtime and weekend working has therefore proportionately a slightly higher impact on men than women in comparison with the workforce profile.

A much smaller proportion of women (54%) are employed in the lowest pay band (H1 to H3). The measure to raise the minimum salary level to meet the London Living Wage will therefore have a great positive impact on men.

### **Ethnicity**

Almost 35% of the workforce are Black, Asian and Minority Ethnic (BAME) and 65% are White.

The greatest proportion of BAME staff are employed in payband 2 (H4 to H8) as are the majority of White staff. The proportion of BAME staff to White staff at each pay band is very similar excepting at payband 6 (Directors and above) where there are no BAME staff employed.

The proposals for overtime and weekend enhancements and Essential Car User Allowance will therefore have an equivalent impact on BAME and White staff. However, the impact from the basic pay reduction for senior management will solely impact on White staff.

### ***Disability***

The workforce profile shows that 3.65% of the workforce are disabled and that with the exception of payband 6 (Director level and above) they are broadly represented at each level of the workforce in direct proportion to non-disabled employees. There is therefore an equivalent impact on disabled workers, excepting at payband 6 where the proposal to reduce the basic pay for senior managers will solely impact on non-disabled employees.

Monitoring will take place following implementation of any changes in order to ensure that no one group (and therefore the council's performance on equalities in employment) is negatively affected.

### **Legal Comments**

As contained in the report

### **Financial Implications**

The Council is operating in an increasingly tough financial climate and needs to look at the widest possible range of measures to reduce its cost base, whilst mitigating as much as possible the impact on services, particularly statutory services and those to the most vulnerable members of the community.

As the most significant element of cost within the Council's base budget, measures to reduce staff costs must therefore be considered, as outlined in this report.

The budget for 2012/13 presented on this Council agenda includes a £300,000 part-year net saving arising from the modernising terms and conditions of employment project. A further £530,000 is included in the MTFs from 2013/14, giving total annual savings of £830,000. These are considered to be prudent estimates of the savings the Council can achieve from the project.

Clearly any additional savings will contribute to reducing future year budget gaps, whilst any shortfall in the savings would result in the need to call on the general budget contingency of £1 million included in the 2012/13 base budget.

### **Section 3 - Statutory Officer Clearance**

Name: Julie Alderson



Chief Financial Officer

Date: 9 February 2012

Name: Hugh Peart



Monitoring Officer

Date: 9 February 2012

## **Section 4 - Contact Details and Background Papers**

### **Contact:**

Jon Turner, Divisional Director Human Resources, Development & Shared Services DD: 0208 424 1225

### **Background Papers:**

Cabinet Information Item - Modernising Terms and Conditions of Employment, 17 March 2011

<http://www.harrow.gov.uk/www2/ieListDocuments.aspx?CId=249&MId=60262>

Cabinet Information Item - Progress Update on Modernising Terms and Conditions of Employment, 17 November 2011

<http://www.harrow.gov.uk/www2/ieListDocuments.aspx?CId=249&MId=60642>

Cabinet Decision - Modernising Terms and Conditions of Employment, 19 January 2012

<http://www.harrow.gov.uk/www2/ieListDocuments.aspx?CId=249&MId=60644>

This page is intentionally left blank

## HARROW COUNCIL PAY POLICY STATEMENT 2012/13

Harrow Council supports openness and accountability and is pleased to publish its Pay Policy Statement for 2012/13. In compliance with the Localism Act 2011 this statement outlines the Council's policy on pay and benefits for Council employees (excluding Schools)<sup>1</sup> and specifically for its senior management for 2012/13.

### Context

The context for the Council's Pay Policy is the Council's current Strategy for People<sup>2</sup> [\[LINK\]](#). This Strategy, designed around a framework developed by the Improvement & Development Agency, sets out the steps in our journey in developing the performance and capability of our workforce.

The Strategy identifies, in a straightforward way, the elements required for improving organisational productivity ensuring our people management and development activities are focussed on delivering the Right People with the Right skills and Right Motivation.

The Strategy sets the following objectives for employee reward:

- Staff benefits are highly valued, demonstrate modern practices and offer employees choice
- The 'Reward package', in its entirety, encourages motivated employees who are willing to go the 'extra mile' and develop their performance

The Council seeks to ensure that the pay, terms and conditions of Council employees comply with the Council's duties under the Equality Act.

### Modernising Terms & Conditions Review 2011/12

At the time of writing this statement the Council is in the process of reviewing pay, terms and conditions for employees.

The Council's Pay Policy is embodied by the objectives of the review which were agreed by Cabinet as being to:

- Modernise: to support the future needs of the Council
- Simplify: wherever possible, to make terms and conditions easier to understand and reduce administration
- Reduce cost: to reduce the costs of terms and conditions of employment as part of its plan to make savings over the next 3 years
- Give greater choice: to continue to have core terms and conditions but to provide each individual with an element of choice beyond that.

---

<sup>1</sup> The Pay Accountability provisions of the Localism Act 2011 do not apply to staff employed in Schools

<sup>2</sup> The Council's current Strategy for People 2010-12 was agreed by Cabinet in March 2010

The review is considering changes to the pay, terms and conditions of all employees covered by this Pay Policy Statement, including those of senior management. The review is also considering whether the Council's lowest paid employees<sup>3</sup> should not be paid less than the London Living Wage.<sup>4</sup>

The Council's Executive will consider and implement any changes to the pay, terms and conditions of Council employees in accordance with this Pay Policy Statement. An Equality Impact Assessment will be undertaken on the changes and published at [\[LINK\]](#)

It is anticipated that some changes will take effect in 2012/13. All published data will be updated as and when any changes are implemented.

### **Council Pay Rates / Scales**

The Council considers it important to be able to locally determine pay rates. This enables it to respond to regional and local labour market conditions. The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent employees.

The following Council pay scales have been locally agreed by the Council:

- Harrow pay scale – established in 2004 as part of the Council's single status agreement and based on the GLPC<sup>5</sup> 'Outer London' pay scale
- Senior Professional & Managerial pay scale – reviewed with advice from Hay<sup>6</sup> in 2007 as part of the Council's Organisational Review
- Chief Officer pay scales - reviewed with advice from Hay in 2007 as part of the Council's Organisational Review
- Chief Executive pay scale – reviewed in 2006 prior to recruiting the current Chief Executive

The Council uses national pay scales for employees who are Education Psychologists (Soulbury), Nursery Nurses and Youth & Community Workers.

These pay scales may be subject to change as part of the modernising pay review. The 2011/12 versions of the pay scales are published at [\[LINK\]](#)

### **Remuneration of Senior Management (Chief Officers)**

The Council defines its senior management as the top 3 tiers in the management structure commencing with the Chief Executive (Tier 1), Corporate Directors (Tier 2) and Divisional Directors (Tier 3), this includes all statutory and non-statutory Chief Officer and Deputy Chief Officer jobs.

The current senior management structure including employee salaries, names, job descriptions, responsibilities, budgets and numbers of staff is published at [\[LINK\]](#)

---

<sup>3</sup> Lowest paid employees are those paid at the lowest pay spine column point on Harrow pay scales excluding trainee and apprentice pay rates. This is currently H grade 1, spinal column point 4 equating to £14697 per annum or £7.83 per hour

<sup>4</sup> London Living Wage is set periodically by the Mayor of London and is currently £8.30 per hour.

<sup>5</sup> Greater London Provincial Council - the London region joint negotiating body

<sup>6</sup> Hay management consultancy specialise in pay and grading



The Council's policy is to reduce the senior management pay bill.

A revised senior management structure<sup>7</sup> has been agreed and is currently in the process of being implemented, the published data will be updated as appointments are made to the new structure.

The Council publishes details of the payments made to senior managers at [\[LINK\]](#)

The Council may, in exceptional circumstances, employ senior managers under contracts for services. The Council publishes details of all payments made under contracts for services in excess of £500 at [\[LINK\]](#)

### **Remuneration of Lowest Paid Employees**

The council defines its lowest paid employees as those paid at the lowest pay spine column point on the lowest Harrow pay grade, excluding trainees and apprentices. This is currently spinal column point 4 of grade 1 on the Harrow pay scale.

The lowest pay spine column point may be subject to change as part of the modernising pay review.

### **Pay Multiple**

The 'pay multiple' is the ratio between the highest paid salary and the median average salary of the Council's workforce. The Council's highest paid employee is the Chief Executive and the current pay multiple is published at [\[LINK\]](#)

### **Pay Grading**

In 2004 the Council entered into a single status agreement with its recognised trade union, introducing common job evaluation schemes<sup>8</sup> and pay scales for the Council's former manual workers, administrative, professional, technical and clerical employees with the exception of Education Psychologists, Nursery Nurses, Youth & Community Workers, Chief Officers and the Chief Executive.

In 2007 job evaluation was extended to include Chief Officers.

### **Pay on Appointment**

All employees, including chief officers are normally appointed on the lowest pay spine column point for their job evaluated grade. In exceptional circumstances employees may be appointed at a higher point.

The Council delegates authority to the Chief Officer Employment Panel to make recommendations to Council on the appointment of the Head of Paid Service and to make appointments of Chief Officers in accordance with the Council's Pay Policy.

---

<sup>7</sup> A revised senior management structure was agreed by Cabinet in December 2011

<sup>8</sup> The GLPC Scheme is used for all Harrow grade jobs and the Hay Scheme for senior professional and managerial jobs

## **Pay Progression**

All employees are able to incrementally progress through the pay spine column points for their job evaluated grade. Progression will normally be one increment (pay spine column point) on the 1<sup>st</sup> of April each year until they reach the top of their grade.

Progression for Chief Officers is subject to the following qualifications:

- i. increments may be accelerated within a Chief Officer's scale at the discretion of the council on the grounds of special merit or ability.
- ii. an increment may be withheld following an adverse report on a Chief Officer (subject to that Chief Officer's right of appeal). Any increment withheld may be paid subsequently if the Chief Officer's services become satisfactory.

The criteria for pay progression may be subject to change as part of the modernising pay review.

## **Performance Related Pay**

Council employees including the Chief Executive and Chief Officers do not currently receive performance related payments or bonuses. As part of its modernising pay review the Council is considering changes to pay progression and linking pay to contribution.

The Council operates a Reward and Recognition Scheme for employees who, subject to meeting the criteria of the scheme, may receive payments of £250 or £500. Details of Reward and Recognition payments to senior management are published at [\[LINK\]](#)

## **National / Regional Pay Agreements**

The Council supports the national (JNC/NJC<sup>9</sup>) and regional (GLPC) collective bargaining arrangements for pay and conditions of service and the pay scales for all employees, including the Chief Executive and Chief Officers are increased in line with national and regional pay agreements.

The last pay agreement increasing pay for the Chief Executive and Chief Officers was implemented in 2008/9.

The last pay agreement increasing pay for all other non-teaching employees was implemented in 2009/10.

## **Market Supplements**

The Council may apply market supplement payments to jobs with recruitment or retention difficulties. Details of market supplement payments to senior management are published at [\[LINK\]](#)

## **Fees for Election Duties**

The Council's policy for payment of fees for election duties is published at [\[LINK\]](#)

---

<sup>9</sup> Joint Negotiating Committee / National Joint Council

Details of fees for election duties paid to senior management are published at [\[LINK\]](#)

## **Pension**

All employees are able to join the Local Government Pension Scheme and receive benefits in accordance with the provisions of that Scheme as applied by the Council. Details of the Council's policy and decisions in respect of discretionary elements of the Scheme are published at [\[LINK\]](#)

## **Other Terms and Conditions of Employment**

The pay, terms and conditions of council employees are set out in employee handbooks. Handbooks are produced for all employees, including managers and senior professionals, Chief Officers and the Chief Executive and the latest editions are published at [\[LINK\]](#)

The pay, terms and conditions of council employees may be subject to change as part of the modernising pay review.

## **Payments on Termination of Employment**

In the event that the Council terminates the employment of an employee on the grounds of redundancy or efficiency of the service they will be entitled to receive compensation and benefits in accordance with the Council's Redundancy and Early Retirement schemes, which are published at [\[LINK\]](#)

Details of redundancy compensation payments paid to senior management are published at [\[LINK\]](#)

The Council's Redundancy and Early Retirement schemes may be subject to change as part of the modernising pay review.

## **Re-employment of Employees**

Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be made on merit.

## **Further Information**

For further information on the Council's pay policy please contact the Council's Human Resources & Development Service email [StaffBenefits@harrow.gov.uk](mailto:StaffBenefits@harrow.gov.uk) DD 0208 424 1110

This page is intentionally left blank