

Council (Extraordinary)

SUMMONS AND AGENDA

DATE: Monday 16 September 2013

TIME: 7.00 pm

VENUE: Council Chamber, Harrow
Civic Centre

All Councillors are hereby summoned to attend the Extraordinary Council Meeting for the transaction of the business set out.



Hugh Peart
Director of Legal and Governance Services

Despatch Date: Wednesday 4th September 2013

PRAYERS

The Mayor's Chaplain, Dr Suzanne Nti, will open the meeting with Prayers.

1. EXTRAORDINARY COUNCIL MEETING

This Extraordinary Council Meeting has been convened in accordance with the provisions of Rule 3.1.

2. DECLARATIONS OF INTEREST

To receive declarations of disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from all Members of the Council.

3. ADOPTION OF HARROW'S COMMUNITY INFRASTRUCTURE LEVY

(Pages 1 - 4)

Recommendation I: Cabinet
(18 July 2013)

4. DELEGATIONS TO THE CHIEF OFFICERS' EMPLOYMENT PANEL

(Pages 5 - 20)

Report of Divisional Director Human Resources, Development & Shared Services.

5. EXCLUSION OF THE PRESS AND PUBLIC

To resolve that the press and public be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of confidential information in breach of an obligation of confidence, or of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972:

<u>Agenda Item No</u>	<u>Title</u>	<u>Description of Exempt Information</u>
6.	Severance payments of £100,000 or greater	Information under paragraph 1 (contains information relating to any individuals).

6. SEVERANCE PAYMENTS OF £100,000 OR GREATER (Pages 21 - 26)

Report of Divisional Director Human Resources, Development & Shared Services.

EXTRAORDINARY COUNCIL 16 SEPTEMBER 2013

CABINET RECOMMENDATION (18 JULY 2013)

**RECOMMENDATION I: ADOPTION OF HARROW'S
 COMMUNITY
 INFRASTRUCTURE LEVY**

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CABINET

MINUTES

18 JULY 2013

Chairman: * Councillor Thaya Idaikkadar

Councillors: * Nizam Ismail * Asad Omar
* Krishna James * William Stoodley
* Zarina Khalid

**Non Executive
Non Voting
Councillors:** * Susan Hall * Barry Macleod-Cullinane

**In attendance:
(Councillors)** Kam Chana Minute 667
Paul Osborn Minute 667
David Perry Minute 667
Simon Williams Minute 667

* Denotes Member present

RECOMMENDED ITEMS

671. Adoption of Harrow's Community Infrastructure Levy

The Portfolio Holder for Planning and Regeneration introduced the report, which set out the outcome of the examination into Harrow's Community Infrastructure Levy (CIL) Charging Schedule and for Council to approve and adopt the Charging Schedule.

The Portfolio Holder explained the background to the report and explained that the CIL would allow local authorities to raise funds from developers to pay for the infrastructure that was needed as a result of their development. He added that the Council had consulted on the proposed rates and submitted its Charging Schedule for Independent Examination where it had been

concluded that the Council had taken a pragmatic approach towards setting the rates.

Cabinet Members were informed that changes to the CIL could be made by future administrations. The Portfolio Holder responded to questions from the non-voting non-Executive Cabinet Members about the impact of the proposed charges on Care Homes and Use Class A1 Retail and the overall impact on small businesses at a time when the Council was looking for these to expand and create jobs for local residents. He drew attention to the conclusions reached by the Independent Examiner that the Council's decision to set the CIL rates was based on reasonable assumptions about development value and likely costs. The evidence suggested that residential and commercial development would remain viable across most of the borough, especially those parts where substantial development was planned, if the charge was applied. The Independent Examiner had concluded that the proposed charge rate would not put the overall development of the area at serious risk.

Cabinet noted that the report proposed a start date of 1 October 2013 and discussions ensued about how this could be achieved and what governance arrangements had been put in place. The Chief Executive outlined the options available to Members, and officers outlined the impact of any delay in the implementation of the start date. An agreement on how the start date would be achieved would follow after the meeting.

Resolved to RECOMMEND: (to Council)

That

- (1) the CIL Charging Schedule and the Instalments Policy and Regulation 123 List appended to the Schedule be adopted;
- (2) a commencement date of 1 October 2013 for the coming into effect of the CIL Charging Schedule be approved.

Reason for Recommendation: To provide an important mechanism for the funding of infrastructure to support the implementation of the Local Plan.

Alternative Options Considered and Rejected: As set out in the report.

Conflict of Interest relating to the matter declared by Cabinet Member / Dispensation Granted: None.

[Call-in does not apply to this recommendation as the decision is reserved to Council.]

**EXTRAORDINARY COUNCIL
16 SEPTEMBER 2013**

**DELEGATIONS TO THE CHIEF
OFFICERS' EMPLOYMENT
PANEL**

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REPORT FOR: **COUNCIL**

Date of Meeting:	16 September 2013
Subject:	Delegations to the Chief Officers' Employment Panel
Exempt:	No
Enclosures:	Appendix 1 - Draft Revised Terms of Reference for the Chief Officers' Employment Panel Appendix 2 - Draft Revised Council Pay Policy Statement 2013/14

Section 1 – Summary and Recommendations

This report seeks Council approval to delegate to the Chief Officers' Employment Panel the powers and duties to determine whether remuneration packages should be offered or severance payments made where the amount concerned is £100,000 or greater.

Recommendations:

Council is requested to agree, with effect 17 September 2013:

1. to amend the delegation to the Chief Officers' Employment Panel to include determination of any remuneration package of £100,000 or greater and;
2. to amend the delegations to the Chief Officers' Employment Panel to include determination of any payments on termination of employment of £100,000 or greater.
3. that a summary of any remuneration packages or payments on termination of employment amounting to £100,000 or greater approved by the Chief Officers' Employment Panel be reported for information to full Council.
4. the revised wording for the constitution (Appendix 1) and the Council's Pay Policy Statement 2013/14 (Appendix 2), which have been amended to reflect the changes set out above.

Section 2 – Report

- 2.1 The Localism Act 2011 (the Act) became statute in November 2011. The Act introduces the requirement for Local Authorities to agree and publish an annual Pay Policy Statement commencing 2012/13. The Department for Communities and Local Government (DCLG) also published statutory guidance on 'Openness and accountability in local pay'.
- 2.2 On 20th February 2013, the DCLG issued supplementary statutory guidance 'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011'. Authorities in England are required to take account of the supplementary guidance when preparing their pay policy statements for 2013-14 and each subsequent financial year.
- 2.3 The DCLG guidance is that full Council should be asked to determine whether it wishes to vote on any remuneration package or payment on termination of employment of £100,000 or greater.
- 2.4 At its meeting on 16th February 2013, Council agreed the Pay Policy Statement 2013-14, which included that where payments on termination amount to £100,000 or greater, full council will be asked to determine whether it wishes to vote on the decision.
- 2.5 In accordance with the current Pay Policy Statement, at it's meeting on 4th July 2013, Council were asked to consider a report seeking approval to payment of the contractual and statutory payments to an employee who had been given notice of the termination of their employment on the grounds of redundancy.
- 2.6 Following that meeting the Policy was reviewed and the Leaders of the Council and opposition groups have been consulted on the recommendations in this report.

Remuneration Packages

- 2.7 The Council already delegates authority to the Chief Officer Employment Panel to:
 - make recommendations to Council on the appointment of the Head of Paid Service
 - make appointments of Chief Officers in accordance with the Council's Pay Policy
- 2.8 In the main, only Chief Executive and Chief Officer appointments attract remuneration packages of £100,000 or more. However, the labour market for a small number of 'non-chief officer' posts is such that market supplements may be paid to attract and retain applicants with the required knowledge skills and experience, so that their total remuneration package is £100,000 or more.

- 2.9 It is therefore recommended that the Chief Officer Employment panel delegations be amended to include determination of any remuneration packages of £100,000 or greater, which will include those for non-chief officer posts.

Severance Payments

- 2.10 The statutory guidance states: *‘the components of relevant severance packages ...may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid’.*
- 2.10 A significant proportion of the Council’s staff are members of the Local Government Pension Scheme and many have long pensionable service. Those aged 55 and over also have a statutory entitlement to payment of their pension benefits in the event that their employment is terminated on the grounds of redundancy or efficiency of the service. As a consequence although, in the main, only Chief Officers are likely to be entitled to redundancy payments of £100,000 or more, there are many more employees whose total severance payments, including pension entitlements would be £100,000 or more.
- 2.11 Every employee has a contractual entitlement to their redundancy payment and (where applicable) a statutory entitlement to their pension lump sum in the event they are made redundant. In reality, elected Members are therefore being asked to consider whether the employee should be made redundant.
- 2.12 Prior to consideration by elected members an ‘Officer Sub Group’ comprised of the Council’s Chief Financial (Section 151) Officer, Monitoring Officer and Chief Personnel Officer will have reviewed the proposed redundancy. The Officer Sub Group will only approve a redundancy where it is satisfied that the redundancy is in the best interests of the Council and that no reasonable alternative employment opportunities are available.
- 2.13 However, in order to comply with the Guidance it is recommended that the Chief Officer Employment panel delegations be amended to include determination of any severance payments where the amount concerned is £100,000 or greater.

Revised Terms of Reference for the Chief Officers’ Employment Panel

- 2.14 The draft terms of reference for the Chief Officers’ Employment Panel at Appendix 1 have been revised to incorporate the recommended delegations.

Other options considered

The recommended approach is consistent with many other local authorities who have delegated determination of remuneration packages or severance payments of £100,000 or greater to appropriate sub-committees. Not delegating the determination in these cases would require each case to be considered by full Council.

Arranging a full Council meeting is a much more complex and time consuming activity compared to arranging a Chief Officer Employment Panel. Therefore, recruitment or redundancy decisions would either have to be timed to coincide with scheduled Council meetings or special Council meetings called in the event that consideration was needed before the next scheduled meeting. Neither of these options is considered to be effective or efficient alternatives and they are not recommended.

There are arrangements by which urgent decisions can be considered by the Leaders of the Council and opposition groups. However, this is considered to be too far removed from the spirit of the Guidance and is not recommended.

Implications of the Recommendation

The powers and duties to determine whether remuneration packages should be offered or severance payments made (including, where applicable, PILON, redundancy payments and pension lump sum), where the amount concerned is £100,000 or greater will be delegated to the Chief Officer Employment Panel.

Equalities impact

There is no discernable equalities impact.

Legal comments

The Council has the discretion to delegate to subsidiary Committees and Panels such powers and duties as it considers appropriate to enable the effective discharge of its duties.

In accordance with Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, the Licensing and General Purposes Committee issued the Council's mandatory policy statement on how redundancy payments are to be calculated. Until such time as a new policy statement is issued the discretionary compensation element of the payment is contractual.

The Council's Pay Policy Statement 2013/14 currently states 'where payments on termination amount to £100,000 or greater, full council will be asked to determine whether it wishes to vote on the decision.' In practice, the components of the severance package including pensions are contractual and any refusal to approve them would be a breach of contract and could result in a legal challenge for breach of contract and/or constructive dismissal.

Financial Implications

The cost of those posts where remuneration exceeds £100,000 must be contained within the relevant budget for the service.

The cost of redundancy payments must also be met from the service budget or from a provision included within the MTFS. Pension entitlements will be funded from the Pension Fund.

Section 3 - Statutory Officer Clearance

Name: Simon George	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 7 August 2013		
Name: Linda Cohen	<input checked="" type="checkbox"/>	On behalf of the Monitoring Officer
Date: 7 August 2013		

Section 4 - Contact Details and Background Papers

Contact:

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

Background Papers:

Report to Council 28 February 2013 - Pay Policy Statement 2013/14
Report to Council 4 July 2013 - Severance payments of £100,000 or greater

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Chief Officers' Employment Panel

The Chief Officers' Employment Panel has the following powers and duties:

- (a) to make recommendations to Council on the appointment or dismissal of the Head of Paid Service;
- (b) to appoint and dismiss Chief Officers;
- (c) to approve any severance packages for Officers of £100,000 or over irrespective of the grade of Officer. The definition of severance package is in accordance with the DCLG supplementary statutory guidance 'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 issued in February 2013;
- (d) to approve remuneration packages of £100,000 or over for any Council post; and
- (e) to report back to Council for information purposes on all such approved severance and remuneration packages.

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HARROW COUNCIL PAY POLICY STATEMENT 2013/14 (Revised Sep 2013)

Harrow Council supports openness and accountability and is pleased to publish its Pay Policy Statement for 2013/14. In compliance with the Localism Act 2011 this statement outlines the Council's policy on pay and benefits for Council employees (excluding Schools)¹ and specifically for its senior management for 2013/14.

Context

The context for the Council's Pay Policy is the Council's Strategy for People²
http://www.harrow.gov.uk/downloads/file/11213/strategy_for_people

The Strategy for People 2013-2016 is currently being developed and will reflect that the significant change experienced in recent years will continue in the foreseeable future and will be felt by all Council staff, regardless of level or role. Delivery models will continue to be developed, which will affect individual members of staff as we see more services delivered with partners, by private, public or third sector providers and through shared services.

The scale of the challenges facing the Council requires that our workforce and that of our partners is suitably skilled and motivated. At the time of writing this statement the Council is in the process of drafting its new Strategy for People which, when completed, will be published on the Council's website.

The Council's new Strategy for People will set out the Council's strategy to ensure this collective workforce is able to meet those challenges and deliver against the priorities set out in this plan.

The new Strategy will therefore remain focused on ensuring our workforce has the capability, competence and confidence to deliver quality services to our community and builds on the foundations of our previous Strategy to achieve this through:

- Recruiting and retaining the **Right People**
- Who have the **Right Skills**
- Working on the **Right Things**
- And are supported to work in the **Right Way**
- With the **Right Motivation**

The Council seeks to reduce income inequality and ensure that the pay, terms and conditions of Council employees comply with the Council's duties under the Equality Act. The Council recognises that a significant proportion of the workforce lives locally³ and that therefore its pay policy helps support a strong local economy.

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

² The Council's current Strategy for People 2010-12 was agreed by Cabinet in March 2010 a new Strategy is being developed for 2013-16

³ 60% of employees have a permanent address with a Harrow (HA) postcode

Modernising Terms & Conditions Review 2011/12

In 2011/12 the Council undertook a review of pay and terms and conditions for employees. The objectives of the review, which were agreed by Cabinet, were 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.

The modernising review was completed in 2012 and the Council reached a collective agreement with the relevant recognised trade unions, which introduced changes to the pay, terms and conditions of all employees covered by this Pay Policy Statement, including those of senior management, from January 2013.

The collective agreement is published at:

http://www.harrow.gov.uk/downloads/file/13003/collective_agreement-novemeber_2012

The changes introduced through the collective agreement are in accordance with the Council's Pay Policy Statement 2012/13 and include the following key provisions:

- 2.5% pay cut for the Chief Executive and Corporate Directors
- 1% pay cut for staff earning £21,375 and above
- Revised grading structure so that the Council's lowest paid employees are paid not less than the London Living Wage.⁴
- A pilot scheme making incremental pay progression subject to performance
- No enhancements for overtime or weekend working except for Bank Holidays and night work
- Reduced redundancy compensation payments
- Improved salary sacrifice schemes and other employee benefits

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.

⁴ London Living Wage is set periodically by the Mayor of London and rose to £8.55 per hour in November 2012.

The following Council pay scales were revised by the Council in January 2013 as a result of the modernising review:

- Harrow pay scale
- Senior Professional & Managerial pay scale
- Chief Officer pay scales
- Chief Executive pay scale

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

The January 2012 pay scales are published at:

http://www.harrow.gov.uk/downloads/download/3321/harrow_pay_scale

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 posts.

A revised senior management structure⁵ was implemented during 2012 and appointments have been made to all posts in the new structure.

The current senior management structure including employee payments, names, job descriptions, responsibilities, budgets and numbers of staff is published at:

http://www.harrow.gov.uk/info/200026/council_departments/2172/harrow_council_organisation_and_managers/2

http://www.harrow.gov.uk/downloads/download/2623/harrow_council_senior_managers_salaries

From April 2013 the Council will take over specific public health function from the NHS and is required to appoint a statutory Chief Officer post of Director of Public Health. The post holder will be paid on NHS pay scales and the information published on the Council's website will be updated.

The Council's policy is to minimise the senior management pay bill. The pay rates and numbers of senior managers reduced in 2012/13. Further reductions in the number of senior managers are planned.

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:

http://www.harrow.gov.uk/info/200110/council_budgets_and_spending/2226/council_spending

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 changed as a result of the modernising review and from 1 April 2013 will be spinal column point 1 of grade 1

⁵ A revised senior management structure was agreed by Cabinet in December 2011

on the Harrow pay scale. This means the Council's lowest paid employees are paid not less than the London Living Wage.

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:

http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13

Pay Grading

In 2004 the Council entered into a single status agreement with its recognised trade union, introducing common job evaluation schemes⁶ 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.

From April 2013 the Council took over specific public health functions from the NHS and staff who transferred from the NHS to the Council remain on NHS grades and pay scales.

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 within the evaluated grade.

The Council delegates authority to the Chief Officers' Employment Panel to:

- to make recommendations to Council on the appointment or dismissal of the Head of Paid Service;
- to appoint and dismiss Chief Officers;
- to approve remuneration packages of £100,000 or over for any Council post.

The Chief Officers' Employment Panel report back to Council for information purposes on all such approved remuneration packages.

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 1st of April each year until they reach the top of their grade.

⁶ The Greater London Provincial Council (GLPC) Scheme is used for all Harrow grade jobs and the Hay Scheme for senior professional and managerial jobs

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 for other staff was changed as a result of the modernising review so that progression for all staff is now subject to satisfactory performance.

Performance Related Pay

Council employees including the Chief Executive and Chief Officers do not currently receive performance related payments or bonuses.

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:

http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13:

National / Regional Pay Agreements

The Council supports the national (JNC/NJC⁷) 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:

http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13

Fees for Election Duties

The Council's policy for payment of fees for election duties is published at:

http://www.harrow.gov.uk/info/687/elections_information/2560/election_fees_and_charges

Details of fees for election duties paid to senior management are published at:

http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13

Pension

⁷ Joint Negotiating Committee / National Joint Council

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:

http://www.harrow.gov.uk/downloads/download/3317/pension_fund_statement

From April 2013 the Council took over specific public health functions from the NHS and staff who transferred from the NHS to the Council continue to be members of the NHS Pension Scheme and receive benefits in accordance with the provisions of that Scheme.

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:

http://www.harrow.gov.uk/downloads/download/3343/employee_handbooks

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:

http://www.harrow.gov.uk/downloads/download/3343/employee_handbooks

http://www.harrow.gov.uk/downloads/download/3306/early_retirement_scheme

The Council's Redundancy scheme was changed as a result of the modernising review and compensation payments to employees will reduce from 2014.

The Council delegates authority to the Chief Officers' Employment Panel to approve any severance packages for Officers of £100,000 or over irrespective of the grade of Officer. The definition of severance package is in accordance with the DCLG supplementary statutory guidance 'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 issued in February 2013;

The Chief Officers' Employment Panel report back to Council for information purposes on all such approved severance packages.

Details of redundancy compensation payments paid to senior management are published at:

http://www.harrow.gov.uk/downloads/file/11582/senior_manager_salaries_2012-13

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 DD 0208 424 1110

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By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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