

# Chief Officers' Employment Panel

## AGENDA

**DATE:** Thursday 4 August 2016

**TIME:** 7.00 pm

**VENUE:** Committee Room 5,  
Harrow Civic Centre

### **MEMBERSHIP** (Quorum 3)

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**Chair:** Councillor Sachin Shah

**Councillors:**

Simon Brown  
Keith Ferry (VC)

Susan Hall  
Barry Macleod-Cullinane

**Contact:** Alison Atherton, Senior Professional - Democratic Services  
Tel: 020 8424 1266 E-mail: [alison.atherton@harrow.gov.uk](mailto:alison.atherton@harrow.gov.uk)

## **AGENDA - PART I**

### **1. MEMBERSHIP**

To note under the provisions of the formula membership the attendance of the following nominee:

Original Member  
Councillor Sue Anderson

Nominee Member Attending  
Councillor Simon Brown

### **FOR INFORMATION**

### **2. DECLARATIONS OF INTEREST**

To receive declarations of disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Panel;
- (b) all other Members present.

### **3. MINUTES (Pages 3 - 6)**

That the minutes of the meeting of the Chief Officers' Employment Panel held on 14 July 2016 be taken as read and signed as a correct record.

### **4. REMUNERATION PACKAGES OF £100,000 OR GREATER (Pages 7 - 18)**

Report of the Corporate Director of People.

## **AGENDA - PART II - Nil**

# CHIEF OFFICERS' EMPLOYMENT PANEL MINUTES

## 14 JULY 2016

**Chair:** \* Councillor Sachin Shah

**Councillors:** \* Sue Anderson \* Barry Macleod-Cullinane  
\* Keith Ferry \* Paul Osborn  
Susan Hall

\* Denotes Member present

### 67. Membership

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

Ordinary Member

Nominee Member

Councillor Susan Hall

Councillor Paul Osborn

### 68. Declarations of Interest

**RESOLVED:** To note that the following interests were declared:

Agenda Item 6 – Severance Payments of £100,000 or Greater

Councillor Barry Macleod-Cullinane declared a non pecuniary interest in that he was a member of an organisation that campaigned against companies that made pay off payments of over £100,000. He would remain in the room whilst the matter was considered and voted upon.

Councillor Paul Osborn declared a non pecuniary interest in that he had voted against the establishment of the Panel for this purpose and was the Director of an organisation that campaigned against companies that made pay off

payments of over £100,000. He would remain in the room whilst the matter was considered and voted upon.

## **RESOLVED ITEMS**

### **69. Appointment of Vice Chair**

**RESOLVED:** To appoint Councillor Keith Ferry as Vice-Chair of the Chief Officers' Employment Panel for the 2016/2017 Municipal Year.

### **70. Minutes**

**RESOLVED:** That the minutes of the meeting held on 26 October 2015 be taken as read and signed as a correct record.

### **71. Exclusion of the Press and Public**

Having been put to the vote it was

**RESOLVED:** That in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following item(s) for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
6.	Severance Payments of £100,000 or Greater	Information under paragraph 1 (contains information relating to any individual).

(Note: Councillors Barry Macleod-Cullinane and Paul Osborn wished to be recorded as having voted against the above Resolution to move into Part II).

### **72. Severance Payments of £100,000 or Greater**

The Corporate Director of Resources and Commercial presented the report which sought approval for a severance payment where the amount concerned was £100,000 or greater.

Members asked a series of questions and sought clarification in relation to the savings arising, the business case and whether there were further cases that would be submitted to the Panel as a result of the shared arrangement. A Member expressed the view that the information provided within the report was inadequate and that therefore he found it difficult to support the proposed decision. He requested that, in future, there be a better presentation of information.

Having been put to the vote it was

**RESOLVED:** That the payment of the contractual and statutory payments to the Divisional Director of Human Resources and Organisational Development as set out in the report be approved subject to

- a) the completion of the Inter Authority Agreement between Harrow Council and Buckinghamshire County Council which provided for Buckinghamshire County Council to meet at least 50% of the costs of the payments; and
- b) a settlement agreement being reached between Harrow Council, Buckinghamshire County Council and the officer concerned.

(Note: Councillors Barry Macleod-Cullinane and Paul Osborn wished to be recorded as having voted against the above Resolution).

(Note: The meeting, having commenced at 5.00 pm, closed at 5.15 pm).

(Signed) COUNCILLOR SACHIN SHAH  
Chair

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**REPORT FOR: Chief Officers'  
Employment Panel**

**Date of Meeting:** 4<sup>th</sup> August 2016

**Subject:** Remuneration Packages of £100,000 or greater.

**Responsible Officer:** Chris Spencer  
Corporate Director, People Services

**Exempt:** No

**Enclosures:** Appendix 1  
Market Supplement Proposal

**Section 1 – Summary and Recommendations**

This report seeks Chief Officers' Employment Panel approval for changes to the remuneration to senior management posts.

**Recommendations:**

The Panel is requested to approve the payment of market supplements as follows:

- £5865 per annum for the Director of Adult Social Services; and
- £11876 per annum for the Head of Adult Social Care;

subject to annual review by the Corporate Director of People Services in consultation with the Head of Human Resources and the relevant Portfolio Holder.

## Section 2 – Report

### Background

The Localism Act 2011 requires Local Authorities to agree and publish an annual Pay Policy Statement.

DCLG guidance ('Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011').states that that full Council should be asked to determine whether it wishes to vote on any remuneration package or payment on termination of employment amount to £100,000 or greater.

The statutory guidance states: *'Remuneration includes salary, expenses, bonuses, performance related pay, as well as contractual arrangements involving possible future severance payments'*.

Authorities are required to take account of this guidance when preparing their pay policy statements.

The Council delegates authority to the Chief Officers' Employment Panel for determination of any remuneration package of £100,000 or greater

**This report seeks approval for a change to the remuneration for the Director of Adult Social Services and the Head of Adult Social Care.**

### CURRENT REMUNERATION

#### **Director of Adult Social Services**

This post is a Statutory Officer post and the post holder has responsibility for undertaking the statutory role and responsibilities of the Director of Adult Social Services (DASS).

The post reports to the Corporate Director People, who also has responsibility for undertaking the statutory role and responsibilities of the Director of Children's Services (DCS).

The Council's Pay Policy is that pay grading is established through job evaluation and the role profile for the Director of Adult Social Services has been evaluated at Grade D2; the salary scale for this grade (including 2016 pay award) is set out below:



	1	<b>101,676</b>
<b>D2</b>	2	<b>104,760</b>
	3	<b>107,874</b>
	4	<b>111,111</b>
	5	<b>114,459</b>

The post holder had previously been in receipt of an honorarium of £5,865 p.a. for undertaking additional duties during the establishment of the People Directorate, which ceased on 31 March 2016, and an Emergency Response Officer payment of £193.58 p.c.m. which has also ceased.

### **Head of Adult Social Care**

This post reports to the Director of Adult Social Services (DASS) and is the Council's lead for all Adult safeguarding matters.

The Council's Pay Policy is that pay grading is established through job evaluation and the role profile for the Head of Adult Social Care has been evaluated at Grade D1; the salary scale for this grade (2016 pay award pending) is set out below:

	1	<b>81,321</b>
<b>D1</b>	2	<b>84,933</b>
	3	<b>87,816</b>
	4	<b>91,113</b>
	5	<b>95,880</b>

### **Proposed Changes in Remuneration**

The attached report (Appendix 1) sets out the business case for the proposal to pay a market supplement for these posts

#### **Director of Adult Social Services**

It is proposed that the DASS receive a market supplement of £5865 p.a.

#### **Head of Adult Social Care**

It is proposed that the Head of Adult Social Care receive a market supplement of £11876 p.a.

The terms and conditions under which the proposed payments would be made are set out in Appendix 1.

The Chief Officers' Employment Panel is recommended to approve the proposed changes in remuneration for the posts of Director of Adult Social Services and the Head of Adult Social Care.

A summary of the remuneration packages approved by the Chief Officers' Employment Panel will be reported for information to full Council.

## **Implications of the Recommendation**

The proposed changes in remuneration for the above posts will be implemented.

### **Equalities impact**

The Council's Annual Pay Policy 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 Pay Policy states that the Council uses job evaluation to determine grading and pay for senior management and may apply market supplement payments to jobs with recruitment or retention difficulties.

The Council's Market Supplement Policy requires evidence to demonstrate that payment of a market supplement may be objectively justified and minimise the risk of equal pay issues. The evidence to support the proposed changes in remuneration for these posts is set out in Appendix 1. The legal comments below, set out relevant considerations in respect of equal pay.

### **Legal comments**

The market supplement policy is designed to ensure that the Council can justify any additional payments for reasons related to market forces.

Under the Equality Act 2010 an individual can claim that they are not receiving equal pay with a comparator of the opposite sex. An employer can justify a difference in pay where there is a material factor defence. In order to successfully mount such a defence the factor must be genuine, it must be a significant and relevant difference between the man's case and the woman's and the difference in pay must be for that reason and not because of the difference of sex.

As the Council has a job evaluation scheme, posts which are assessed at the same level under the scheme will be deemed to be work of equal value and therefore appropriate comparators for an equal pay claim.

If an equal pay claim was made, a tribunal would look hard at any evidence produced and would expect to see cogent and convincing evidence that market forces were the reason for any such payment. It should also examine why a particular level of payment was made and how that related to the evidence.

The reason relied on here is market forces and considerations about the individual's performance in their post are not relevant except in that if the person has acquired a good reputation for doing a difficult job that may make them more attractive to other employers. This is particularly so in jobs of a high level where headhunting is likely to occur.

The job duties have already been assessed under the job evaluation scheme so are not the basis of any defence.

The market supplement policy states that normally at least 3 out of 4 of the criteria should be met. In other situations where there are vacancies a department would be expected to go out to recruitment at least twice before applying a market supplement.

In this case only 2 of the 4 criteria are on the face of it relied upon - documented and recognised evidence of national or regional problems in recruiting or retaining the relevant employees and evidence that the pay rates being offered by the Council are significantly lower than the rates in authorities where similar posts sit at higher tiers.

There is a risk that a tribunal would not consider that the evidence presented in the attached business case is sufficient to justify a market forces defence. It is also possible that an individual making a claim would be able to produce evidence showing market forces arguments in their particular area.

### **Financial Implications**

These changes in remuneration are accounted for in the 2016/17 salary budget.

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

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 26 July 2016		
Name: Caroline Eccles	<input checked="" type="checkbox"/>	On behalf of the Monitoring Officer
Date: 27 July 2016		

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

### **Contact:**

Chris Spencer, Corporate Director, People Services

Email: [chris.spencer@harrow.gov.uk](mailto:chris.spencer@harrow.gov.uk)

DD: 020 8424 1356

### **Background Papers:**

Harrow Council Market Supplement Policy

## **Market Supplement Proposal**

### **Market Supplement Payment for Director of Adult Social Services (DASS) and Head of Adult Social Care**

#### **Introduction and Background**

The People Directorate was established in October 2015 and brought together the Children's Services Directorate, with elements of the former Community Health & Wellbeing Directorate. A new Corporate Director was appointed and there have been a number of changes made to roles within the new Directorate as services have been integrated to improve outcomes and achieve efficiencies.

The roles of the DASS and Head of Adult Social Care have changed to include additional responsibilities, some of which relate to management oversight of aspects of functions within Children's Services. The creation of the new People Directorate and the significant reduction in senior management capacity means that these posts have had to absorb other management functions of a more generic nature to ensure the smooth running of the Directorate. As a consequence, the job descriptions for these employees have been revised and in accordance with the Council's Pay Policy that pay grading is established through job evaluation, the new roles were job evaluated and the outcome was no change in grade.

Stability in these roles is critical to the organisation at this time because this is a time of considerable change. Stability and continuity are crucial to implementing the transformation required to meet budget reductions. Both post holders are very experienced in the roles they currently fill and stand in a good position to secure career progression elsewhere if not retained by Harrow Council. Both post holders would be difficult to replace.

#### **The Business Case**

The Council's market supplement policy identifies 4 criteria for payment of a market supplement:

- Evidence that the pay rates being offered by the Council are significantly lower than the market rate;
- Evidence that significant efforts to recruit relevant employees have been consistently unsuccessful in attracting suitable applicants;
- Evidence of consistently higher than average turnover amongst relevant employees;

- Documented and recognised evidence of national or regional problems in recruiting or retaining the relevant employees.

The relevant evidence is set out below for each of these criteria.

Evidence to meet at least 3 of the above criteria will normally be required to justify offering a market supplement.

### **Evidence that the pay rates being offered by the Council are significantly lower than the market rate**

The evidence is that the pay rates being offered by the Council are consistent with the market rate. This is largely based on the fact that the DASS in Harrow is placed at tier 3 and the Head of Service at tier 4, although duties commensurate with Harrow's posts are placed at tier 2 or 3 respectively in some other authorities.

The DASS post in Harrow is currently placed at tier 3 of the organisational structure and remunerated at D2. The equivalent posts in other authorities where the DASS sits at tier 2 is remunerated on average at £125k per annum, bringing payment into the scope of the Harrow D3 scale.

With regard to the Head of Adult Social Care post, over the last few years the shortage of qualified social workers who have the ability to professionally manage both Adults and Children services at the highest level has driven up the salaries offered by our neighbouring boroughs. Brent, Croydon, Hackney, Haringey, Greenwich, Camden and Redbridge councils all offer salaries in keeping with the D2 pay scale and the current post holder has been approached by all our neighbouring boroughs with regard to his interest in taking up such posts.

### **Evidence that significant efforts to recruit relevant employees have been consistently unsuccessful in attracting suitable applicants.**

There has been no recent recruitment to these posts, the DASS has been in post since 01.09.2012 and the Head of Adult Social Care since 01.04.2013. However, 'soft' evidence from recruitment exercises to similar roles in other local authorities suggests that both roles would be difficult to fill should they become vacant.

### **Evidence of consistently higher than average turnover amongst relevant employees**

Both the DASS and the Head of Service for Adult Social Care have been in the Council for extended periods and within that time have gained considerable knowledge, expertise and confidence with their fields and particularly as the roles pertain to the Harrow Context.

Both have an excellent track record in Safeguarding Adults and running very large services to a consistently high standard of service delivery while also delivering significant savings and balanced budgets.

#### Head of Adult Social Care

The Head of Adult Social Care was recruited from Lambeth where he held the post of Assistant Director. To match the salary in place at Lambeth the post holder was recruited at the top of the old SPM1 (D1) grade. Consequently he has experienced only limited salary progression during his time in Harrow.

The Head of Adult Social Care is a member of the Children and Adults senior management teams. As he is responsible for delivery of statutory duties in relation to both Adults and Children with Disabilities services he reports to both the DASS and the Corporate Director of People Services. He also represents the Council at strategic health meetings.

In addition to requiring a qualification in social work, the Head of Adult Social Care requires significant and operational management experience in both Children and Adult services. The current post holder is keen to stay in Harrow and build on the success already achieved.

From December 2015 both posts remit increased to include responsibility for the strategic and operational management of the Children with Disabilities service, taking the responsibilities from the departing Divisional Director of Special Needs Services. During this time the Community and Culture department that the DASS managed moved to another directorate. The post remains at the same grade as at the point of initial recruitment although now holds significantly larger responsibilities and budget.

#### Director of Adult Social Services

The DASS is a member of the People Services senior management team. As she is the statutory Director of Adult Social Care she is also required to have a dotted line to the Chief Executive, Leader of the Council and Leader of the opposition and must ensure they are fully briefed in significant matters pertaining to the adults agenda and in particular the safeguarding of the most vulnerable adults in Harrow. As the DASS she also sits on CSB and attends Cabinet.

Recruitment to the DASS role, particularly across London is currently very competitive due to an unusually high number of DASS' reaching retirement age and a reluctance amongst 'qualified' senior officers to step up to the DASS role due to the pressures of the role. During the DASS' time she has led on innovative change in adult social care and as a result has been invited as a keynote speaker to numerous high profile events. This profile has resulted in the DASS being approached by the public and private sector many times with competing employment offers. The DASS has chosen to decline such offers to date.

In addition, although not specifically required the DASS holds a Masters in Business Management which has proven beneficial due to the budget challenges not only requiring a social work perspective, but business and commercial solutions.

**Documented and recognised evidence of national or regional problems in recruiting or retaining the relevant employees.**

Notwithstanding the points made above about national and regional challenges regarding recruiting to the DASS and Head of Service posts in adult social care, the new People Services Directorate has achieved significant savings through the amalgamation of posts at the senior management level. Both posts are crucial to the delivery of services whilst achieving savings. The post holders have already delivered a smooth transition to the new service. Further management savings are dependant on the continuity and stability offered by both post holders remaining with Harrow.

The post holders have an impressive track record in Harrow where both have delivered excellent service improvement whilst successfully managing significant cost reduction and this success makes them attractive to other employers. Bringing in someone new at this early stage for the People Services Directorate would undermine the progress made since the Chief Executives' restructure, and negatively impact the most vulnerable in our care.

Recruitment difficulties at the Head of Service level of the Directorate have forced the use of interim staff that are paid significantly higher than the costed budget for this post. The day rate for an interim with the post holder's experience and ability would be in the region of £750 per day. It would be higher for an interim covering the role of DASS.

The total paid until a suitable replacement is in place would be considerable. Disruption to the Service and the failure to deliver planned large savings would also impact the organisation negatively and significantly.

Maintaining standards while delivering savings pose significant challenges to the department and the organisation. The loss of leadership through the post holders moving to another employer would certainly negatively impact these objectives.



## **The Market Supplement Proposal**

### **Director of Adult Social Services**

It is proposed that the DASS receive a market supplement of £5865 p.a. paid in two equal instalments: 50% in October 2016 and 50% in April 2017.

### **Head of Adult Social Care**

It is proposed that the Head of Adult Social Care receive a market supplement' of £11876 p.a. paid in two equal instalments: 50% in October 2016 and 50% in April 2017.

The cost of the proposed market supplements will be met from within the existing Directorate budget and funded from the savings that we will achieve by deleting a post of Head of Service within the adults services division. The market supplement costs would be a small proportion of the savings achieved.

### **Terms and conditions**

The payments will only be paid if the employee is in employment and not under notice as at the 30<sup>th</sup> September 2016 or 31<sup>st</sup> March 2017 respectively. If the employee's employment has terminated, for whatever reason, or they have given or received notice of termination prior to either of these dates then the respective payment will not be made.

The requirement for the payment will be reviewed in April 2017.

The recognised trade unions have been consulted regarding these proposals.

### **Approvals**

In accordance with the Council's policy for market supplements, the proposals have been approved by the Divisional Director for HR&OD, the Chief Executive and the Portfolio Holder.

**Note as the proposals relate to remuneration packages of £100k or more, the approval of the Chief Officers' Employment Panel is also required.**

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