

# CABINET

## 18 FEBRUARY 2016

Record of decisions taken at the meeting held on Thursday 18 February 2016.

**Present:**

**Chair:** \* Councillor David Perry

**Councillors:**

* Sue Anderson	* Varsha Parmar
* Simon Brown	* Kiran Ramchandani
* Keith Ferry	* Sachin Shah
* Glen Hearnden	* Anne Whitehead
* Graham Henson	

**In attendance:**

Richard Almond	Minute 331
Susan Hall	Minute 331
Barry Macleod-Cullinane	Minute 331
Paul Osborn	Minute 331

\* Denotes Member present

### RECOMMENDED ITEMS

**335. Final Revenue Budget 2016/17 and Medium Term Financial Strategy 2016/17 to 2019/20**

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

That

- (1) whilst being mindful of the results of the various consultations and equality impact assessments, the 2016/17 budget be approved to enable the Council Tax for 2016/17 to be set, Appendix 2 to the report refers;

- (2) the Medium Term Financial Strategy (MTFS) at Appendix 2 to the report be approved;
- (3) the 2016/17 Schools' Budget at Appendix 6 to the report be approved;
- (4) the 2016/17 Members' Allowance Scheme at Appendix 13 to the report be approved;
- (5) the Annual Pay Policy Statement at Appendix 14 to the report be approved.

**RESOLVED:**

- (6) the current remaining budget gaps of £1.053m and £90k over the three year MTFS, 2016/17 to 2018/19, table 3, paragraph 1.10 of the report refers, be noted;
- (7) the intention to increase Council Tax by 1.99% in 2016/17, paragraph 1.13 of report refers, be noted;
- (8) the intention to increase Council Tax by 2.0% in 2016/17 in respect of the Adult Social Care Precept, paragraph 1.14 of the report refers, be noted;
- (9) the 2016/17 Public Health Budget, at Appendix 7 to the report, be noted;
- (10) the risk assessment, Appendix 8 to the report refers, be referred to the Governance, Audit and Risk Management and Standards Committee for consideration and monitoring;
- (11) the sum of Better Care Funding of £6.5m to be received by the Council in 2016/17, paragraphs 1.24 and 1.25 to the report refer, be noted;
- (12) the comments from the various stakeholder meetings, paragraph 2.3 and Appendix 15 to the report refer, be noted;
- (13) the 2016/17 Flexible Use of Capital Receipts Efficiency Strategy, paragraph 1.18 and Appendix 16 of the report refer, be approved.

**Reason for Decision:** To ensure that the Council sets a balanced budget for 2016/17.

**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.

## MEDIUM TERM FINANCIAL STRATEGY 2016/17 to 2018/19

	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000
<b>Budget Requirement Brought Forward</b>		167,381	164,987	154,156
Corporate & Technical		9,537	500	13,280
People		-4,207	-5,558	-10,887
Community		-3,420	-2,094	-2,704
Resources & Commercial		-3,994	-2,126	-2,540
Regeneration		-90	-150	0
Pan Organisation		-220	-350	-2,000
<b>Total</b>		<b>-2,394</b>	<b>-9,778</b>	<b>-4,851</b>
<b>FUNDING GAP</b>		<b>0</b>	<b>-1,053</b>	<b>-90</b>
<b>Total Change in Budget Requirement</b>		<b>-2,394</b>	<b>-10,831</b>	<b>-4,941</b>
<b>Revised Budget Requirement</b>	<b>167,381</b>	<b>164,987</b>	<b>154,156</b>	<b>149,216</b>
Collection Fund Deficit/-surplus	-1,900	-3,494	0	0
Revenue Support Grant	-32,034	-21,935	-13,019	-7,332
Top Up	-20,939	-21,113	-21,529	-22,164
Retained Non Domestic Rates	-14,012	-13,189	-13,189	-13,189
<b>Amount to be raised from Council Tax</b>	<b>98,496</b>	<b>105,256</b>	<b>106,419</b>	<b>106,531</b>
<b>Council Tax at Band D</b>	<b>£ 1,234.36</b>	<b>£1,283.61</b>	<b>£1,296.45</b>	<b>£1,296.45</b>
<b>Increase in Council Tax (%)</b>	<b>1.99%</b>	<b>3.99%</b>	<b>1.00%</b>	<b>0.00%</b>
Tax Base	79,795	82,000	82,085	82,171
Collection rate	97.50%	97.75%	97.75%	97.75%
Gross Tax Base	81,841	83,887	83,975	84,062

## MEDIUM TERM FINANCIAL STRATEGY 2016/17 to 2018/19

TECHNICAL BUDGET CHANGES	Proposed		
	2016/17	2017/18	2018/19
	£000	£000	£000
<b>MTFS Proposals Agreed in February 2015</b>			
<b>Capital and Investment</b>			
<b>Capital financing costs and investment income</b>			
Increased Minimum Revenue Provision costs of the capital programme and interest on balances changes	2,462	2,095	4,731
Amendment 2016/17 review	958	1,437	1,631
<b>Total Capital and Investment Changes</b>	<b>3,420</b>	<b>3,532</b>	<b>6,362</b>
<b>Grant Changes</b>			
<b>New Homes Bonus</b>			
Projected grant received net of topslice to London LEP	-150	325	579
Amendment 2016/17 review	-2,413		2,000
<i>Total New Homes Bonus</i>	<i>-2,563</i>	<i>325</i>	<i>2,579</i>
<b>Better Care Fund</b>			
<i>Estimated additional grant from 2016/17</i>	<i>-1,000</i>		
<b>Education Support Grant.</b>			
Projected reduction in grant received	545	545	545
Amendment 2016/17 review	-472	100	100
<i>Total ESG</i>	<i>73</i>	<i>645</i>	<i>645</i>
<b>S31 Grant Re Business Rate Reliefs</b>			
Reduction in 2016/17 due to ending retail relief scheme	443		
<b>Public Health Grant Reduction</b>	300		
<b>Total Grant Changes</b>	<b>-2,747</b>	<b>970</b>	<b>3,224</b>
<b>Other Technical Changes</b>			
<b>Freedom Pass Levy increase.</b> Cost of Freedom passes charged to Harrow by Transport for London	289	380	390
Amendment 2016/17 review - extension to 2019/20	0	0	0
<i>Total Freedom Pass Levy change</i>	<i>289</i>	<i>380</i>	<i>390</i>
Remove energy price contingency		-350	
<b>Budget planning contingency.</b>	3,000	3,000	3,000
<b>Homelessness Reserve</b>	1,000		
Amendment 2016/17 review	-1,000	-5,000	-2,630
<i>Total Budget planning contingency.</i>	<i>3,000</i>	<i>-2,000</i>	<i>370</i>
<b>Total Other Technical Changes</b>	<b>3,289</b>	<b>-1,970</b>	<b>760</b>
<b>Pay and Inflation</b>			
<b>Pay Award @ 2% pa</b>	1,800	1,800	1,800
<b>Reduction to 1% and National Living Wage</b>	-800	-800	-800
<b>Pay inflation total</b>	1,000	1,000	1,000
<b>Employer's Pension Contributions lump sum increases agreed with actuary</b>			
Required to reduce the pension deficit	582	622	664
<b>Inflation on goods and services @ 1.3% p.a.</b>	1,270	1,270	1,270
Reduction in inflation provision	-1,120	-870	
<i>Inflation Provision total</i>	<i>150</i>	<i>400</i>	<i>1,270</i>
<b>Increase in cost of NI for contracted out employees</b>			
Ending of contracted out rebate - 3.4% on applicable salary range	1,100	0	0
<b>Total Pay and Price Inflation</b>	<b>2,832</b>	<b>2,022</b>	<b>2,934</b>

**MEDIUM TERM FINANCIAL STRATEGY 2016/17 to 2018/19**

<b>TECHNICAL BUDGET CHANGES</b>	<b>Proposed</b>		
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>OTHER</b>			
<b>Contribution to MTFS Implementation Reserve - one off</b>	2,954	-2,954	
<b>Commercialisation Savings</b>		-1,100	
<b>Audit Fee Reduction</b>	-80		
<b>Car allowance review</b>	-100		
<b>Staff Terms and Conditions.</b> Final year of phasing out of protection on terms and conditions changes agreed with Staff from January 2013.	-31	0	0
<b>Total Corporate &amp; Technical</b>	<b>9,537</b>	<b>500</b>	<b>13,280</b>

**MEDIUM TERM FINANCIAL STRATEGY 2016/17 to 2018/19**

<b>PEOPLE DIRECTORATE</b>	<b>Proposed</b>		
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Children &amp; Families</b>			
Proposed Savings - see appendix 1a	-3,569	-681	-3,262
Changes agreed in 2015/16 MTFS - see appendix 1b	0	0	0
Changes agreed in 2014/15 MTFS - see appendix 1c	413	0	0
<b>Sub total Children &amp; Families</b>	<b>-3,156</b>	<b>-681</b>	<b>-3,262</b>
<b>Adults</b>			
Proposed Savings - see appendix 1a	-3,542	-4,415	-5,330
Balance of Adult Social Care Precept	525		
Changes agreed in 2015/16 MTFS - see appendix 1b	-50	0	0
Changes agreed in 2014/15 MTFS - see appendix 1c	2,500	0	0
<b>Sub total Adults</b>	<b>-567</b>	<b>-4,415</b>	<b>-5,330</b>
<b>Public Health</b>			
Proposed Savings - see appendix 1a	-484	-462	-2,295
Changes agreed in 2015/16 MTFS - see appendix 1b	0	0	0
Changes agreed in 2014/15 MTFS - see appendix 1c	0	0	0
<b>Sub total Public Health</b>	<b>-484</b>	<b>-462</b>	<b>-2,295</b>
<b>Total People Directorate</b>	<b>-4,207</b>	<b>-5,558</b>	<b>-10,887</b>

**MEDIUM TERM FINANCIAL STRATEGY 2016/17 to 2018/19**

<b>COMMUNITY</b>	<b>Proposed</b>		
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Environmental Services</b>			
Proposed Savings - see appendix 1a	-595	-453	-1,959
Changes agreed in 2015/16 MTFS - see appendix 1b	-2,440	-675	-264
Changes agreed in 2014/15 MTFS - see appendix 1c	764	0	0
<b>Sub total Environmental Services</b>	<b>-2,271</b>	<b>-1,128</b>	<b>-2,223</b>
<b>Community &amp; Culture</b>			
Proposed Savings - see appendix 1a	-15	-390	-209
Changes agreed in 2015/16 MTFS - see appendix 1b	-584	-100	0
Changes agreed in 2014/15 MTFS - see appendix 1c			
<b>Sub total Community &amp; Culture</b>	<b>-599</b>	<b>-490</b>	<b>-209</b>
<b>Housing - General Fund</b>			
Proposed Savings - see appendix 1a	-550	-476	-272
Changes agreed in 2015/16 MTFS - see appendix 1b	0	0	0
Changes agreed in 2014/15 MTFS - see appendix 1c	0	0	0
<b>Sub total Housing General Fund</b>	<b>-550</b>	<b>-476</b>	<b>-272</b>
<b>Total Community</b>	<b>-3,420</b>	<b>-2,094</b>	<b>-2,704</b>

**MEDIUM TERM FINANCIAL STRATEGY 2016/17 to 2018/19**

<b>RESOURCES &amp; COMMERCIAL</b>	<b>Proposed</b>		
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Resources &amp; Commercial</b>			
Proposed Savings - see appendix 1a	-2,934	-474	-1,195
Changes agreed in 2015/16 MTFS - see appendix 1b	-1,565	-1,652	-1,345
Changes agreed in 2014/15 MTFS - see appendix 1c	505	0	0
<b>Total Resources &amp; Commercial</b>	<b>-3,994</b>	<b>-2,126</b>	<b>-2,540</b>



**MEDIUM TERM FINANCIAL STRATEGY 2016/17 to 2018/19**

<b>REGENERATION</b>	<b>Proposed</b>		
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Proposed Savings - see appendix 1a	-90	-50	
Changes agreed in 2015/16 MTFS - see appendix 1b		-100	
Changes agreed in 2014/15 MTFS - see appendix 1c			
<b>Total Regeneration</b>	<b>-90</b>	<b>-150</b>	<b>0</b>

**MEDIUM TERM FINANCIAL STRATEGY 2016/17 to 2018/19**

<b>Pan Organisation</b>	<b>Proposed</b>		
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Proposed Savings - see appendix 1a	0	0	0
Changes agreed in 2015/16 MTFS - see appendix 1b	-220	-350	-2,000
Changes agreed in 2014/15 MTFS - see appendix 1c	0	0	0
<b>Total Pan Organisation</b>	<b>-220</b>	<b>-350</b>	<b>-2,000</b>

## Schools Budget 2016-17

### 1. Introduction

The Dedicated Schools Grant (DSG) is a ring fenced grant of which the majority is used to fund individual school budgets. It also funds certain central services provided by the local authority such as Early Years (private and voluntary sector and maintained nurseries) and Special Educational Needs (SEN) including fees for out of borough pupils at independent special schools.

### 2. DSG settlement 2016-17

The 2016-17 DSG is based on the number of pupils on the October 2015 schools census for schools and currently the January 2015 early years census for early years. The total indicative DSG for 2016-17 is £190.739m. Table 1 shows the breakdown of the 2016-17 DSG across the three blocks. The sections following the table provide a detailed explanation for each funding block. As previously advised, the DSG is not ring-fenced to the specific blocks.

**Table 1 – 2016-17 DSG allocation**

Area	Per Pupil Funding £	Pupil Numbers	Total £
Schools Block	£4,914.62	31,373	£154,186,373
Early Years Block - 3&4 year olds	£4,320.96	2,327	£10,054,874
Early Years Block - 2 year olds	£5,253.50	314	£1,649,599
High Needs Block			£24,621,530
<b>Sub Total</b>			<b>£190,512,376</b>
<b>Additional Amounts</b>			
Induction for NQT			£45,447
Early Years Pupil Premium Grant			£180,969
<b>2016-17 DSG as at 17<sup>th</sup> December 2015</b>			<b>£190,738,792</b>

The 2016-17 schools budget was presented to Schools Forum on 19<sup>th</sup> January 2016. The anticipated 2016-17 funding for each block is detailed in Table 2.

**Table 2 – 2016-17 DSG Blocks**

Category	2016-17 Budget
Schools Block - delegated	£148,319,004
Schools Block - centrally retained	£1,314,433
Early Years Block	£11,412,400
High Needs Block	£29,692,955
<b>Total 2016-17</b>	<b>£190,738,792</b>

### 3. Schools block – delegated budget allocated to schools

The 2016-17 school budgets are being prepared using the updated funding formula which has been consulted with Schools in the autumn 2015 and approved by Cabinet in December 2015.

The outcome of the consultation proposed to reduce the formula factor values in 2016-17 by 1.5% although the final factor values would be calculated once the October 2015 census data was available. This was in order to claw back funding to partially mitigate the formula deficit of £1.6m set in 2015-16 which is funded from brought forward cash balances.

IDACI is an indicator of deprivation, which uses location (postcode) as the basis of assessing a pupil's level of deprivation. Band 6 is deemed most deprived with Band 0 having no deprivation. A major national review of re-categorisation of wards has taken place and a new data set released in September 2015. The effect of this is that wards have been re-evaluated and the impact for London generally has been that most wards have been re-categorised with lower deprivation than the previous position.

The impact of these changes is significant to the funding formula and to Harrow Schools. Due to the change in the IDACI data, over £4.4m funding would no longer be distributed through that factor as the number of eligible pupils has reduced from 21,065 to 10,570 (52% primary reduction, 45% secondary reduction). In addition over £900k is no longer distributed through Free School Meals (FSM) as the number of eligible pupils has reduced from 3,703 to 3,128.

Schools are protected annually by the Minimum Funding Guarantee (MFG) from *per pupil* losses capped at -1.5% of the per pupil budget from the previous financial year. This means that schools cannot lose more than -1.5% of their previous years' per pupil budget.

The changes in IDACI have had a significant impact on school budgets as it has reduced the per pupil funding and so the £5.3m above which is no longer distributed through the deprivation factors, instead increases the amount of funding to be distributed via the Minimum Funding Guarantee. This change has a negative impact on nearly all schools but disproportionately so on those schools who receive a higher proportion of funding through deprivation factors. Those schools which are already at MFG will see no change in the proposed budget, but puts them more heavily reliant on MFG funding.

In 2015-16 IDACI and FSM funding (deprivation factors) made up significant proportions of some school budgets. Over 25% of schools received more than 10% of their budgets through the deprivation factors with two high schools receiving more than 15% of funding. Therefore, the fact that there are less eligible children has had a significant impact disproportionately on these schools. In order to take steps to address this and fund schools through the deprivation factor rather than through MFG there is a proposed change to the factor values.

In 2015-16 the primary/secondary funding ratio is 1:1.34 – for every £1 spent in primary schools, £1.34 is spent in secondary schools. At its meeting in November 2015, Schools Forum agreed that the primary/secondary funding ratio be realigned back to the ratio set in 2013-14 of 1:1.32.

#### 4. Closing the gap

In order to reduce part of the shortfall and address the primary/secondary funding ratio, the following changes have been applied to the 2016-17 formula:

- Reduce secondary AWPU by 2% - this addresses the primary/secondary funding ratio and realigns it to 1:1.32
- Maintain the 2015-16 cap on schools who gain through MFG at 0.8%
- Adjust the IDACI rates to distribute a similar overall level of funding through deprivation
- Reduce the following factor values by 1.5% across both primary and secondary
  - \* EAL
  - \* Mobility
  - \* Prior attainment

These both claw back some of the formula deficit and reduce it to £2.9m. The deficit can be reduced further to £1.9m by applied £1m of Early Years funding to the schools block – this is a combination of anticipated additional funding for growth in pupil numbers and a reduction in the overall DSG funding required for early years.

The 2016-17 proposed formula factor funding values are shown at Table 3 along with the 2015-16 current formula factor values for comparison.

**Table 3 – 2015-16 and 2016-17 School Funding Formula Factor Values**

Factor	Primary	Secondary		Primary	Secondary	
	All	KS3	KS4	All	KS3	KS4
<b>Year</b>	<b>2016-17</b>			<b>2015-16</b>		
Basic Entitlement (AWPU)	£3,268.00	£3,886.85	£4,741.95	£3,268.00	£3,966.17	£4,838.72
Free School Meals	£1,389.05	£2,644.98		£1,111.24	£2,115.98	
IDACI Band 1	£200.00	£433.50		£90.00	£211.83	
IDACI Band 2	£280.00	£606.90		£134.00	£295.94	
IDACI Band 3	£558.75	£1,058.39		£160.00	£346.80	
IDACI Band 4	£810.00	£1,395.39		£447.00	£846.71	
IDACI Band 5	£1,139.00	£1,694.14		£810.00	£1,395.39	
IDACI Band 6	£1,139.00	£1,694.14		£1,139.00	£1,694.14	
Looked After Children	£1,973.90	£1,973.90		£1,973.90	£1,973.90	
English as an Additional Language	£216.15	£2,961.81		£218.33	£3,022.25	
Mobility	£2,705.19	£2,421.97		£2,746.39	£2,458.85	
Prior Attainment	£617.53	£1,391.63		£626.93	£1,412.82	

Whilst the MFG is a mandatory factor in the formula there is limited scope to further claw back any further funding through the formula. A combination of the above actions results in 32/52 schools being at MFG compared with 19 schools in 2015-16 and 12 schools being capped compared with 19 schools in 2015-16.

The IDACI changes have put 8/10 secondary schools (compared with 3/10 secondary schools in 2015-16) at MFG and the ability to increase these schools above MFG would mean AWPU would need to be increased but this would impact on the primary/secondary funding ratio and cause a further deficit on the formula.

It is also not just a case of clawing back funding from schools who gain because there is no correlation between these schools and therefore no one change can be made that reduces funding to those schools which does not negatively impact on those schools already experiencing losses.

## **5. Early Years Block**

This is based on a GUF of £4,320.96 per pupil which has remained the same value as in 2015-16. The January 2015 Early Years Census has been used to produce a provisional allocation. This will be updated during 2016-17 and calculated based on 5/12ths of the January 2016 census and 7/12ths of the January 2017 census.

A further £181k has been transferred to local authorities to fund the Early Years Pupil Premium Grant. This remains at the same value as 2016-17. The grant will be paid to providers at a rate of £0.53 per hour per child upon evidencing that children in their settings meet the eligibility criteria.

From 2015-16 the funding for 2 year olds is based on participation. As with 3 & 4 year old nursery funding, the calculation will be based on 5/12ths of the January 2016 census and 7/12ths of the January 2017 census. In the meantime, the January 2015 census has been used and calculates a budget of £1.65m.

## **6. High Needs Block**

Unlike 2015-16, there was no opportunity to bid for growth for High Needs funding. Instead, a place review was carried out which allowed place funding to be moved from one institution to another but where the number of places was proposed to increase, the increase in funding would have to be met within local authorities existing allocations.

On 17<sup>th</sup> December 2015 the EFA announced a further £92.5m of funding to be added to local authority High Needs Blocks to fund demographic growth. Harrow received £0.446m additional funding.

## 7. Pupil Premium

Schools also receive the Pupil Premium in respect of pupils who have ever been eligible for Free School Meals (FSM) in the last 6 years plus Children Looked After continuously for more than 6 months. The rates for pupil premium will remain the same as 2015-16 and are shown at Table 4.

**Table 4 - Pupil Premium rates agreed for 2016-17, per pupil**

<b>Area</b>	<b>2016-17</b>
FSM - Primary School Pupils	£1,320
FSM - Secondary School Pupils	£935
Service children	£300
Children Looked After	£1,900
Adopted children	£1,900

Allocations per school will be available once the data from the January 2016 census has been collated.

# Appendix 13

## Members' Allowances Scheme

1. This scheme shall have effect until 31st March 2017. It replaces all former schemes.

### Basic Allowance

2. A basic allowance of £8,340 per annum shall be paid to each Councillor.

### Special Responsibility Allowances and Mayoral Allowances

3. (1) A special responsibility allowance shall be paid to those Councillors who have the special responsibilities in relation to the posts specified in Schedule 1 to this scheme. The amount of each such allowance shall be the amount specified against that special responsibility in that schedule.  
(2) An allowance of £10,475 per annum shall be paid to the Mayor and an allowance of £2,085 per annum shall be paid to the Deputy Mayor.  
(3) No Member may receive special responsibility allowances in respect of more than one post. For the purposes of this paragraph, the mayoral allowances referred to in 3(2) above are considered to be special responsibility allowances.

### Up-rating the Basic and Special Responsibility Allowances

4. The basic allowance and special responsibility allowances may be up-rated annually in line with an index approved by the London Councils Independent Panel. The index to be used will be the level of the Local Government Pay Settlement. When making the scheme for 2017/18, the indexing arrangements will be reviewed.



## Travel and Subsistence Allowances

5. The reimbursement of travel and subsistence expenses incurred in respect of **approved duties** (as set out in Schedule 2) **undertaken outside the Borough boundaries** can be claimed by Members, co-optees to formal Council committees and Independent Members of the Governance, Audit, Risk Management and Standards Committee at the rates paid and on the conditions specified in the officer scheme for travel and subsistence allowances.

## Carers' Allowance

6.
  - (1) The allowance shall only be paid for attendance at approved duties as listed in Appendix A.
  - (2) The maximum basic rate of pay is £2.90 per half hour for the duration of the meeting together with the Member's travel time between home and the place of the meeting and the carer's reasonable travelling time.
  - (3) The allowance is claimable in respect of children aged 15 or under or where a professional carer is required to meet a specialist need (eg a nurse for an elderly person).
  - (4) Actual costs will be paid **on production of an invoice or receipt**.
  - (5) Where the length of the meeting cannot be predicted and payment to the carer is necessarily contractually committed then a payment of up to 4 hours will be made. (For day time quasi-judicial meetings, payment of up to 8 hours may be made if the estimated length of the meeting is for the whole day).
  - (6) In addition, the reasonable travelling expenses of the person taking care of the dependent shall be reimbursed either at the appropriate public transport rate, or in cases of urgency or where no public transport is available, the amount of any taxi fare actually paid.
  - (7) The allowance is not to be paid where the carer is a member of the Member's household.
  - (8) Any dispute as to the entitlement and any allegation of abuse should be referred to the Governance, Audit, Risk Management and Standards Committee for adjudication.

## Co-optees' Allowance

7. A basic allowance of £445 per annum shall be paid to co-optees to formal Council Committees and Independent Members of the Governance, Audit, Risk Management and Standards Committee.

## Claims and Payments

8. (1) A claim for allowances or expenses under this scheme shall be made in writing within two months of the date of undertaking the duty in respect of which the entitlement to the allowance or expense relates.
- (2) Payment shall be made
  - (a) in respect of basic and special responsibility allowances, in instalments of one-twelfth of the amount specified in this scheme each month;
  - (b) in respect of out-borough travel and subsistence expenses and Carers' Allowance, each month in respect of claims received up to one month before that date.

## Backdating

9. Any changes made to this scheme during the year may be backdated to 1<sup>st</sup> April 2016 by resolution of the Council when approving the amendment.

## Pensions

10. Allowances paid under the Harrow Members' Allowances Scheme will **not** be pensionable for the purposes of the Superannuation Act.

## Renunciation

11. A person may, by notice in writing given to the Director of Legal and Governance Services, elect to forgo any part of his/her entitlement to an allowance under this scheme.

### Approved duties for Carers' Allowance

- ◆ A meeting of the Executive.
- ◆ A meeting of a committee of the Executive.
- ◆ A meeting of the Authority.
- ◆ A meeting of a Committee or Sub-Committee of the Authority.
- ◆ A meeting of some other body to which the Authority make appointments or nominations.
- ◆ A meeting of a committee or sub-committee of a body to which the Authority make appointments or nominations.
- ◆ A meeting which has both been authorised by the Authority, a committee, or sub-committee of the Authority or a joint committee of the Authority and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the Authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups).
- ◆ A meeting of a Local Authority association of which the Authority is a member.
- ◆ Duties undertaken on behalf of the Authority in pursuance of any Procedural Rule of the Constitution requiring a member or members to be present while tender documents are opened.
- ◆ Duties undertaken on behalf of the Authority in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises.
- ◆ Duties undertaken on behalf of the Authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996.

# Schedule 1

## Special Responsibility Allowances (SRAs)

There are 6 bands of SRAs:

<b>Band</b>	<b>Post</b>	<b>SRA - £/annum</b>
<b>1</b>	Chief Whips of the two largest Groups Performance Lead Members for Scrutiny Policy Lead Members for Scrutiny Chair of Licensing and General Purposes Committee Portfolio Holder Assistants	<b>£2,100</b>
<b>2</b>	Nominated Member of the party not holding the Chair of the Planning Committee Chair of the Traffic Advisory Panel Chair of Governance, Audit, Risk Management and Standards Committee Chair of the Pension Fund Committee Chair of the Performance and Finance Scrutiny Sub Chair of the Health and Social Care Scrutiny Sub Nominated Member of the largest party not holding the Chair of the Performance and Finance Scrutiny Sub	<b>£4,700</b>
<b>3</b>	Nominated Member of the largest party not holding the Chair of the Overview and Scrutiny Committee Non Executive Members of Cabinet	<b>£6,780</b>
<b>4</b>	Chair of the Overview and Scrutiny Committee Leader of the Second Largest Group	<b>£8,860</b>
<b>5</b>	Cabinet Members	<b>£20,100</b>
<b>6</b>	Leader of the Council	<b>£31,400</b>

### NOTE

The Groups are as follows:-

Largest Group = Labour Group

Minority Group = Conservative Group

## Schedule 2

### Claims for Out-Of-Borough Travel and Subsistence Expenses

#### Duties Undertaken Out-of-Borough

Claims for travel and subsistence expenses incurred can normally only be paid in respect of approved duties undertaken at venues out of the Borough. Expenses will be reimbursed at the rates paid and on the conditions specified in the officer scheme for travel and subsistence allowances.

1. Members may claim travel and subsistence expenses in respect of the following **out-of-Borough** duties:-
  - (a) Attendance at any meeting which may be convened by the Authority provided that Members of at least two groups are invited and the meeting is not convened by officers.
  - (b) Attendance at a meeting of an outside body to which the Member has been appointed or nominated as a representative of the Council, where the Outside Body does not itself operate a scheme to reimburse travel and subsistence expenses.
  - (c)
    - (i) attendance at an appropriate out-of-Borough conference, seminar, meeting or other appropriate non-political event as a representative of an Outside Body to which that Member has been either nominated or appointed by Council to serve in a role with a specific pan-Authority remit;
    - (ii) attendance at meetings in the capacity of a direct appointee of a Local Authority Association, joint or statutory body or other London-wide or national body subject to the following proviso:

*that the Member serves on the appointing body by virtue of an appointment made by Council to an authorised Outside Body;*

subject in either case to the Outside Body/Bodies concerned themselves not making provision for any travel and subsistence expenses necessarily incurred.
  - (d) Attendance at a meeting of any association of local authorities of which the Authority is a member and to which the Member has been appointed as a representative.

- (e) Attendance at a training session, conference, seminar or other non-political event, the attendance fees for which are being funded by the Council through a Departmental or a corporate budget.
  - (f) Attendance at any training session, conference, seminar or other non-political event for which there is either no attendance fee or any attendance fee is being met by the Member him/herself (or from the relevant political group secretariat budget) subject to the relevant Director confirming that the content of the training, conference, seminar or event is relevant to the Member's responsibilities in respect of the services provided by the Authority or to the management of the Authority.
2. Duties for which out-of-Borough travel and subsistence expenses may not be claimed include:-
- (a) Political meetings or events.
  - (b) Any meetings of 'Outside Bodies' to which the Member has not been appointed or nominated by the Council as its representative.
  - (c) Meetings of the Governing Bodies of Schools.

## HARROW COUNCIL PAY POLICY STATEMENT 2016/17

Harrow Council supports openness and accountability and is pleased to publish its Pay Policy Statement for 2016/17. 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 2016/17.

### Context

The Council's vision is: 'Working Together to Make a Difference for Harrow' and the Workforce Strategy is focused on supporting delivery of the Council's vision and priorities by ensuring an efficient and effective organisation. To achieve this we need a commercially minded and agile workforce delivering higher productivity and increased performance at a lower cost base.

This Organisational Development (OD) Strategy and programme is designed to accelerate the organisational change needed to deliver our ambition by delivering culture and behaviour change programmes, engaging colleagues and developing leaders. It will also help drive up workforce performance and productivity.

We want to be a modern and efficient Council, able to meet the challenges ahead. In order to help protect frontline services we will continue to deliver support functions in the most cost effective way, improving working between services within the Council and continuing to collaborate with regional bodies and other local authorities on shared services and procurement opportunities. We will protect people and Council assets from risks and retain our customer services in Harrow where possible, modernising and simplifying the access channels to the Council, making more services available online and therefore accessible on a more '24/7' basis.

Our Workforce Strategy reflects that the Council of the future may be very different and having the right people *engaged* with the Council will be vital for our future success. We already compete for people across London and this will increase as the needs of the organisation change and the search for talent in local government increases.

We will establish the people we want, the skills they need and the performance we require and develop recruitment and retention packages that maximise our employment offer. Our Pay Policy supports this by ensuring that fair and transparent processes are in place to determine the grading and pay for all jobs and that remuneration packages enable the attraction and retention of people with the skills we need. We will also look to create opportunities for staff to benefit through organisational change.

As a Council we are committed to ensuring equality and diversity is integral to everything we do so our 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 Council recognises that a significant proportion of our workforce lives locally<sup>2</sup> and that therefore our Pay Policy helps support a strong local economy.

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

<sup>2</sup> Circa 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 and in 2012 the Council reached a collective agreement with the relevant recognised trade unions, which established new pay and terms and conditions for all employees covered by this Pay Policy, including those of senior management, from January 2013.

The collective agreement is published at:

[http://www.harrow.gov.uk/downloads/file/5879/collective\\_agreement](http://www.harrow.gov.uk/downloads/file/5879/collective_agreement)

The changes introduced through the collective agreement were 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.<sup>3</sup>
- A scheme making incremental pay progression subject to satisfactory 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.

The Council's pay scales were revised by the Council in January 2013 and they are subject to any pay awards agreed through the relevant national and regional negotiating bodies. The latest pay scales were revised in April 2015 and are published at:

[http://www.harrow.gov.uk/download/downloads/id/7778/officers\\_salary\\_scales\\_april\\_2015](http://www.harrow.gov.uk/download/downloads/id/7778/officers_salary_scales_april_2015)

[http://www.harrow.gov.uk/downloads/file/7801/chief\\_officers\\_salary\\_scales\\_april\\_2015](http://www.harrow.gov.uk/downloads/file/7801/chief_officers_salary_scales_april_2015)

### 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 Directors (Tier 3), this includes all statutory and non-statutory Chief Officer and Deputy Chief Officer posts.

The senior management structure is published at:

[http://harrowhub/download/8337/senior\\_management\\_structure](http://harrowhub/download/8337/senior_management_structure)

Senior management pay is published at: [Senior manager salaries - Further info | Harrow Council](#)

The Council's policy is to optimise the senior management pay bill. The pay rates and numbers of senior managers reduced in 2012/13 and following the Council's decision to reinstate the post of Chief Executive in 2014, an appointment was made on a salary less than

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<sup>3</sup> London Living Wage is set periodically by the Mayor of London and is implemented from 1 April. The rate rose to £9.40 per hour in November 2015, which will be implemented from 1 April 2016.



the previous Chief Executive received. The new Chief Executive undertook a review of the Council's senior management structure in 2015 and implemented a revised senior management structure, reducing further the numbers of senior managers and the senior management pay bill.

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/100004/council\\_and\\_democracy/555/council\\_spending](http://www.harrow.gov.uk/info/100004/council_and_democracy/555/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. 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 employee's pay and the median average pay of the Council's workforce. The Council's highest paid post is the Chief Executive and the pay multiple is published at:

[Senior manager salaries - Further info | Harrow Council](#)

## **Pay Grading**

In 2004 the Council entered into a single status agreement with its recognised trade union, introducing common job evaluation schemes<sup>4</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.

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. New posts are being recruited to on the local government 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 make recommendations to Council on the appointment of the Head of Paid Service and make appointments of Chief Officers in accordance with the Council's Pay Policy.

The Council's delegations to the Chief Officers' Employment Panel also include, determination of any remuneration package of £100,000 or greater

Remuneration packages of £100,000 or greater are also reported to full Council

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<sup>4</sup> The Greater London Provincial Council (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 for other staff were 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. However, the Council recognises that this may need to change to reflect the need for a more commercially minded and agile workforce delivering higher productivity and increased performance. The Council will therefore keep under review the option to introduce performance related pay for individuals and /or groups of employees.

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:

[Senior manager salaries - Further info | Harrow Council](#)

## National / Regional Pay Agreements

The Council supports the national (JNC/NJC<sup>5</sup> and Soulbury) 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. Some conditions of service are negotiated locally.

The last pay agreement increasing pay scales for the Chief Executive and Chief Officers was implemented in 2008/9. Since then there have been no increases for this group.

The most recent pay agreement increasing pay scales for other non-teaching employees was implemented in 2014/15.

## 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:

[Senior manager salaries - Further info | Harrow Council](#)

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<sup>5</sup> Joint Negotiating Committee / National Joint Council

## **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/election\\_information/689/election\\_fees\\_and\\_charges](http://www.harrow.gov.uk/info/687/election_information/689/election_fees_and_charges)

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

[Senior manager salaries - Further info | Harrow Council](#)

## **Other Payments**

The Head of Paid Service may authorise other payments as necessary, in accordance with the Council's delegations.

Details of any other payments to senior management are published at: [Senior manager salaries - Further info | Harrow Council](#)

## **Pension**

All employees are auto enrolled into the Local Government Pension Scheme and employees who remain in the Scheme 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/download/downloads/id/5338/discretionary\\_policy\\_statement-pensions\\_2014](http://www.harrow.gov.uk/download/downloads/id/5338/discretionary_policy_statement-pensions_2014) and

[http://www.harrow.gov.uk/download/downloads/id/7063/pension\\_fund\\_final\\_account\\_2014 - 2015](http://www.harrow.gov.uk/download/downloads/id/7063/pension_fund_final_account_2014_-_2015)

From April 2013 the Council took over specific public health functions from the NHS and staff who transferred from the NHS to the Council and were members of the NHS Pension Scheme continue to be members of that 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/1016/employee\\_handbooks](http://www.harrow.gov.uk/downloads/download/1016/employee_handbooks)

## **Payments on Termination of Employment**

In the event that the Council terminates the employment of an employee, including a Chief Officer, 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/1016/employee\\_handbooks](http://www.harrow.gov.uk/downloads/download/1016/employee_handbooks) and

[http://www.harrow.gov.uk/download/downloads/id/5338/discretionary\\_policy\\_statement-pensions\\_2014](http://www.harrow.gov.uk/download/downloads/id/5338/discretionary_policy_statement-pensions_2014)

The Council's Redundancy scheme was changed as a result of the modernising review and compensation payments to employees reduced in 2014 and 2015.

The Council's delegations to the Chief Officers' Employment Panel, include determination of any payments on termination of £100,000 or greater.

Details of compensation payments paid to senior management are published at:  
[Senior manager salaries - Further info | Harrow Council](http://www.harrow.gov.uk/downloads/file/5881/red_payments_agreed)  
[http://www.harrow.gov.uk/downloads/file/5881/red\\_payments\\_agreed](http://www.harrow.gov.uk/downloads/file/5881/red_payments_agreed)

Severance payments of £100,000 or greater are also reported to full Council

### **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 & Organisational Development Service email [StaffBenefits@harrow.gov.uk](mailto:StaffBenefits@harrow.gov.uk) DD 0208 424 1110