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**This matter is being** Clifford Hart  
**dealt by:**  
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22 March 2012

To: All Members of the Full Council

Dear Member,

Full Council - Monday, 26th March, 2012

I attach a copy of the following report for the above-mentioned meeting which was not available at the time of collation of the agenda:

**9. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES (PAGES 1 - 30)**

- a) Corporate Committee Report No 4 2011/12

Yours sincerely

Clifford Hart  
Democratic Services Manager

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**REPORT OF THE CORPORATE COMMITTEE No. 04 2011/12  
COUNCIL 26 March 2012**

Chair:  
Councillor George Meehan

Deputy Chair:  
Councillor Rahman Khan

## **INTRODUCTION**

- 1.1 This report to full Council arises from consideration of the Pay Policy Statement considered by the Corporate Committee at their meeting on 20 March 2012.

## **SUMMARY**

### 2.1 Pay Policy Statement

We considered the pay policy as part of our responsibility for staffing pay and conditions. The Localism Act 2011 requires relevant authorities to prepare and publish an annual Pay Policy Statement which outlines the local authority's approach to the pay of its workforce and in particular the pay of its senior staff. Following DCLG (Department for Communities and local Government) guidance full Council will be given the opportunity to vote on large salary packages offered to new senior appointments. The posts that this would be applicable to had a starting salary of over £100k and were set out at paragraph 4.4 of the attached report. We considered this list of posts and asked legal representatives at the meeting to clarify if the Homes for Haringey Chief Executive should be included; as Homes for Haringey were a council owned company. If they did not need to conform to this aspect of the Localism Act, then it would still be important for the council to promote the objectives of transparency and accountability and encourage the company to publish a Pay Policy Statement.

We noted that the council will publish specific information on the pay and reward of staff earning more than £50,000 on its website in line with the Code of Recommended Practice for Local Authorities on data Transparency and the accounts Audit regulations 2011. Also for staff on senior manager grades, chief officer grades and the chief executive additional information will be supplied including employee salaries, names of employees (subject to their agreement), job titles, staff budget and number of staff. We considered an example of this at appendix C.

We noted that the Council will be obliged to publish a pay multiple, this was the ratio between the highest paid salary and the median average salary figure for all employees in the council. We learned that this was currently a ratio of 1 to 6.8 and a low figure compared to other local authorities.

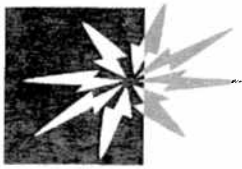
We further considered the chief officer appraisal scheme at appendix D and were provided with clarification on how the bandings and starting points of the Chief Executive's salary were agreed. The committee recommended an amendment to the

Pay Policy Statement to convey that the salary banding of the Chief Executive should be determined by the recruitment panel and following this decision the Leader of the Council would determine the starting point in the salary banding.


Given our responsibility for employment terms and conditions and the pay structure of senior posts we needed to examine and have input on the Pay Policy statement. Given the relatively short timescale for pulling together this first Pay Policy Statement and the fact that its compilation will be an annual process, we felt that it would be helpful and prudent to establish an informal cross party working group to consider the pay policy arrangements going forward. This would include making recommendations on the make up and arrangements for salary bandings for senior managers and chief officers, including those for new appointments, and to have input on a new performance appraisal scheme for Chief Officers for 2013/14.

### **WE RECOMMEND**

- i. The approval of the Pay Policy Statement included at Appendix A of the attached covering report on the Pay Policy Statement 2012- Localism Act 2011.
- ii. That an informal cross party working group be established to facilitate consideration of pay and appraisal arrangements for chief officers before the next Annual Pay Policy Statement is due.



Haringey Council

Report for:	Corporate Committee on 20 March 2012	Item Number:	
Title:	Pay Policy Statement 2012 – Localism Act 2011		
Report Authorised by:	Kevin Crompton, Chief Executive		
Lead Officer:	Steve Davies, Head of Human Resources, 020 8489 3172		
Ward(s) affected: ALL	Report for Key/ Non Key Decisions: Non Key Decision		

**1 Describe the issue under consideration**

- 1.1 To approve a Pay Policy Statement for the council in line with the requirements of the Localism Act 2011.

**2 Cabinet Member introduction**

- 2.1 Not applicable

**3 Recommendations**

- 3.1 That committee approve the Pay Policy Statement attached at appendix A.

**4 Requirements of the Localism Act in relation to Pay**

- 4.1 The Localism Act 2011 requires relevant authorities to prepare and publish an annual pay policy statement.



**Haringey** Council

- 4.2 The “Act” does not apply to the staff of local authority schools and teaching staff need not be brought within the scope of the “statement”

Accountability

- 4.3 The “Act” requires “statements”, and any amendments to them, are considered by a meeting of Full Council. Such meetings should be open to the public and should not exclude observers. This report and the ‘Statement’ at Appendix A will be taken as a report at Full Council at the end of March.

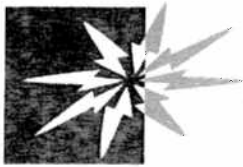
- 4.4 Guidance issued by the Secretary of State of the Department for Communities and Local Government (DCLG) states that Full Council should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. It considers £100,000 is the right level for consideration. The proposal is therefore to identify those posts on JNC chief officer grades, which are posts where the starting salary is above £100k. This would cover the following posts.

Chief Executive  
Director of Adult & Housing  
Services  
Deputy Director Children & Families  
Director of Children’s Services  
Director of Corporate Resources  
Director of Place & Sustainability  
Assistant Chief Executive  
Chief Executive - Alexandra Palace

- 4.5 To comply with the guidance it is recommended that through this Pay Policy Statement Full Council be recommended to approve new appointments to one of the above posts at a starting salary of £100,000 and above or any new post created which has a starting salary of £100,000 and above if such a post becomes vacant or is created in the financial year 2012-13.

Transparency

- 4.6 The “Act” requires that authorities include in their “statement”, their approach to the publication of and access to information relating to the remuneration of chief officers.
- 4.7 The council will publish specific information on the pay and reward of staff earning more than £50,000 on its website in line with the Code of Recommended Practice for Local Authorities on Data Transparency and the Accounts and Audit (England) Regulations 2011.



**Haringey Council**

- 4.8 The council will also publish information on its website as follows. The current senior manager, chief officer and chief executive management structure including employee salaries, names, job titles, staff budget and numbers of staff.

Fairness

- 4.9 The “Act” requires authorities to set their policies on remuneration for their highest paid staff alongside their policies toward their lowest paid employees. In addition, it requires authorities to explain what they think the relationship should be between the remuneration of its chief officers and its employees who are not chief officers.
- 4.10 Authorities should also publish a specific pay multiple within their broader policy to show how pay and reward is dispersed across their workforce. The “Guidance” recommends 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.
- 4.11 The average salary level is defined as the total of all regular payments made to an individual officer including salary, allowances if applicable, regular overtime, performance pay, recruitment or retention allowances, additional responsibility payments, together with any other additional regular payments.
- 4.12 The pay multiple is referred to in the ‘Statement’ and at Appendix C is the information that will be published on the website about the current pay multiple.
- 4.13 The “Act” specifies that in addition to senior salaries, authorities must also make clear what approach they take to the award of other elements of senior remuneration, including performance related pay as well as severance payments. This should include any policy to award additional fees for chief officers for their local election duties. This is outlined in the council’s ‘Statement’ at appendix A.
- 4.14 “Statements” must include an authority’s policy toward the remuneration of its lowest paid employees. This is outlined in the council’s ‘Statement’ at appendix A.

**5 Comments of Chief Finance Officer and Financial implications**

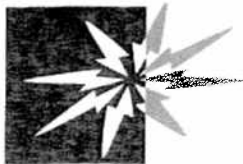
- 5.1 The majority of the contents of the annual Pay Policy Statement are already compiled and available on the Council’s website so full compliance with the Localism Act is not expected to lead to additional costs.
- 5.2 Any financial implications arising from Full Council reviewing and recommending grades of staff appointments over £100k, as set out in paragraph 4.5, will be addressed at that time.



## 6 Comments of Head of Legal Services and legal implications

- 6.1 Chapter 8 of the Localism Act 2011 introduced new provisions regarding the preparation, approval, publication and content of an annual pay policy statement by principal councils. The provisions came into force on 15 January 2012.
- 6.2 The Council is under a statutory duty to prepare and by resolution of Full Council, approve a pay policy statement for the financial year 2012/13 before the end of 31 March 2012 and thereafter on an annual basis. As soon as is reasonably practicable following approval the statement must be published including publication on the Council's website.
- 6.3 The Act provides that the statement must set out the Council's policies for the forthcoming financial year relating to the remuneration of its chief officers and its lowest-paid employees and the relationship between the remuneration of its chief officers and that of employees who are not chief officers. The statement must contain the definition of 'lowest-paid employees' adopted by the Council along with the reasons for adopting that definition.
- 6.4 The statement must also contain details of the level and elements of the remuneration for each chief officer; the remuneration of chief officers on recruitment; increases and additions to remuneration for each chief officer; the use of performance-related pay or bonuses for chief officers; the approach to the payment of chief officers upon ceasing to hold office under or to be employed by the Council; and the publication of and access to information relating to remuneration of chief officers. The statement may also set out any policies relating to other terms and conditions applying to the chief officers.
- 6.5 The Council is under a duty to have regard to any guidance issued or approved by the Secretary of State and the Code of Recommended Practice for Local Authorities on Data Transparency (September 2011) is relevant in this respect. This guidance relates to the publication of Public Data defined as the objective, factual data on which policy decisions are based and on which public services are assessed or which is collected or generated in the course of public service delivery.
- 6.6 Relating the guidance to the pay policy statement, it is stated that as a minimum, the public data which should be released comprises senior employee salaries (over £58,200), names (with the option for individuals to refuse to consent to their name being published), job descriptions, responsibilities, budgets and numbers of staff together with an organisational chart of the staff structure including salary bands and details of current vacant posts. There should also be calculated and published





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the 'pay multiple' being the ratio between the highest paid salary and the median average salary of the whole of the authority's workforce.

6.7 From 1 April 2012 any determination which relates to the remuneration or other terms and conditions of a chief officer must comply with the pay policy statement.

6.8 In the preparation of the pay policy statement attached at Appendix A, regard has been taken to the guidance referred to above and the pay policy statement fulfils all the requirements of the Localism Act 2011.

## **7 Equalities and Community Cohesion Comments**

7.1 The pay policy statement supports the council's approach to remuneration for its workforce in an accountable, fair and transparent way. This therefore supports the council's equalities policy and promotes equal pay.

## **8 Policy implications**

8.1 The Pay Policy Statement supports the council's People Strategy and its approach to remuneration for the workforce, and in particular the pay of its senior staff.

## **9 Use of Appendices**

9.1 Appendix A – Pay Policy Statement

9.2 Appendix B – Sample of website chart showing job title, name, salary, staff numbers and staff budget.

9.3 Appendix C – Pay Multiple information

9.4 Appendix D – Chief Officer Appraisal Scheme

9.5 Appendix E – Pensions Policy on use of discretions

## **10 Local Government (Access to Information) Act 1985**

10.1 No documents that require listing were used in the preparation of this report.

### Haringey Council Pay Policy Statement

This Pay Policy Statement is published to comply with the Localism Act 2011. The policy outlines the authority's approach to the pay of its workforce, and in particular the pay of its senior staff. The policy statement excludes staff in Schools.

#### Pay Strategy

The Council outlines its strategy for pay in the People Strategy. We wish to reward and recognise the contributions of staff in an appropriate way. We want a committed, motivated and high performing workforce that is flexible and willing to contribute more.

The council reached an agreement with the unions in 2008 as part of the Equal pay and conditions package to set pay (and reward packages generally, including pensions, etc) in accordance with a fair and equitable pay policy and with regard to national and regional pay policy. The principles for the agreed policy were to have a pay system that would

- Attract and retain the right people
- Provide a system that recognises and rewards, as appropriate, high performance
- Be cost effective
- Be flexible enough to account for different workforce requirements, organisational working and team partnership, and the working patterns and expectations of staff
- Be fair, open, and underpin the organisations values
- Meet employment legislation tests e.g. equal pay, age discrimination

More recently, October 2011, the council has also adopted a policy for the London Living Wage such that it will ensure that in future the pay of council employees at the lower ends of the London pay spine receive a level of pay in line with the London Living Wage rate as determined from time to time by the Greater London Authority.

#### Council Pay Rates / Scales

The Council utilises the Greater London Provincial Council (GLPC) outer London pay spine for the majority of its staff.

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

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

- Senior manager and Chief officer pay scales – established in 2003 and last reviewed and approved by Remuneration Committee in May 2007.
- Chief Executive pay scale – last reviewed and approved by Remuneration Committee in October 2009 prior to recruiting the current Chief Executive

The council uses national Soulbury pay scales for employees who are Education Psychologists and Education Advisers/ Inspectors.

The council uses national Teaching pay scales for centrally employed (in the Children's directorate) local authority teachers.

The council also approved with effect from May 2011 that in future the pay of council employees at the lower ends of the London pay spine receive a level of pay in line with the London Living Wage rate as determined from time to time by the Greater London Authority.

The Council supports the national (JNC/NJC<sup>1</sup>) and regional (GLPC) collective bargaining arrangements for pay and conditions of service and the pay scales for all employees, including the Chief Executive and Chief Officers are increased in line with national and regional pay agreements.

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

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

### **Remuneration of Senior Managers and Chief Officers including the Chief Executive**

The Council defines its senior managers as those staff appointed on senior manager pay grades – which start at remuneration levels of approx £50k per annum. These staff are appointed on terms and conditions in accordance with the national terms and conditions of chief officers in local government and are expected to work as many hours as necessary to complete the job.

Chief Officers are statutory chief officers or non statutory chief officers who report to the Head of the Paid Service (the Chief Executive). It also includes deputy chief officers who report directly to a chief officer.

The pay grade and therefore remuneration levels for all these staff is determined by use of the Greater London Council chief officer job evaluation scheme. The council's Corporate Committee is responsible of approving the terms and conditions including pay of all these senior staff.

Where it is proposed to appoint to a post which is not in existence at the time of the publication of this pay policy statement, and the proposed starting salary is more than £100,000 per annum the appointment may not be made unless the Council has agreed to the level of remuneration attaching to the position.

The current senior manager, chief officer and chief executive management structure including employee salaries costs, names, job titles, staff budget and numbers of staff is published on the council website.

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<sup>1</sup> Joint Negotiating Committee / National Joint Council

Apart from pay awards approved at national level or awards/ progression determined through the performance related pay scheme (see below) there is no other provision to increase the pay of these staff unless approved by committee.

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 on the council website.

**Pay progression and Performance related pay for senior managers and chief officers**

The pay progression of staff within a particular senior manager, chief officer or chief executive grade is subject to a performance appraisal scheme. A copy of this scheme is provided on the council website.

In summary the criteria for progression is as follows:

Performance	Increment	Performance Award
Below standard	0	0
Meets objectives	0	0
Exceeds objectives	1	0 (discretion for 2)
Exceptional performance	1	1 (discretion for 2 )

**Remuneration of employees who are not senior managers or chief officers**

The pay grades and therefore remuneration levels for posts below senior manager and chief officer grades are determined by use of the Greater London Provincial Council (GLPC) job evaluation scheme. This has been agreed by the council and unions as part of the collective agreement reached in 2008 on ‘single status’ as part of the Equal pay and conditions package.

The Council defines its lowest paid employees as those paid at the lowest pay scale 1A which is pay spine points 6 – 7 on the GLPC outer London pay spine. The reason for this definition is that this is the lowest pay grade in the council in line with the job evaluation scheme and pay scales agreed with the unions. This excludes trainees, apprentices and interns.

However, the council also approved with effect from May 2011 that in future the pay of council employees at the lower ends of the London pay spine receive a level of pay in line with the London Living Wage rate as determined from time to time by the Greater London Authority. This will be by way of an hourly pay supplements as appropriate to ensure that the London Living Wage rate is achieved.

**Pay Progression of staff who are not senior managers or chief officers**

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.

### **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 on the council's website.

The average salary level is defined as the total of all regular payments made to an individual officer including salary, allowances if applicable, regular overtime, performance pay, recruitment or retention allowances, additional responsibility payments, together with any other additional regular payments.

### **Pay on Appointment**

All employees, including chief officers are normally appointed on the lower spinal points (below mid point) of the grade.

The Council delegates authority to chief officers/ chief executive as appropriate to appoint staff above the permissible pay point.

The starting salary of the Chief Executive will be determined by the Leader of the Council.

### **Recruitment & Retention payments**

Haringey acknowledges that our employees are our best asset and that due to external factors recruitment and retention allowances will be required for some posts in order to attract and retain good employees.

Recruitment and retention allowances are linked to the post, not the person. They cannot be paid to someone because of their level of skill or experience.

A recruitment / retention allowance is deemed suitable where there is evidence of one or more of the following:

- The post has been advertised on more than one occasion and a suitable applicant could not be recruited.
- Pay benchmarking exercises show that similar local authorities offer recruitment and retention allowance or a higher salary for the same work.
- A national /local skills shortage where the council is competing with a number of other employers for applicants.
- The post is highly specialised with a limited number of potential applicants.

If the post does not meet the suitability criteria the attraction of a recruitment and retention allowance is unjustified and may be in breach of the Equal Pay Act.

### **Fees for Election Duties**

Council staff can be employed on election duties of varying types. The fees paid to Council employees for undertaking these election duties vary according to the type of election they participate in, and the nature of the duties they undertake.

Returning Officer duties (and those of the Deputy Returning Officer) are contractual requirements, and fees paid to them for national elections/referendums are paid in accordance with the appropriate Statutory Fees and Charges Order and are paid by the body responsible for the conduct of the election.

### **Pension**

All employees are able to join the Local Government Pension Scheme and receive benefits in accordance with the provisions of that Scheme as applied by the Council. Details of the Council's policy and decisions in respect of discretionary elements of the Scheme are published on the council's website.

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

The Council's employment policies and procedures are reviewed on a regular basis in the light of service delivery needs and any changes in legislation etc.

The council and unions agreement on 'single status' reached in 2008 as part of the collective agreement on Equal pay and conditions outlines the working arrangements and the payments to be made to employees below senior manager grades for working outside normal working hours including overtime, and call out payments.

Employees on senior manager or chief officer grades are not entitled to additional payments or allowances for travel or meals within the London region. For trips outside of the London region reasonable travel and subsistence expenses will be reimbursed for staff on these grades.

### **Payments on Termination of Employment**

In the event that the Council terminates the employment of an employee (including senior managers and chief officers) 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 on the council's website.

Details of redundancy compensation payments paid to senior management are published on the council's website.

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

### **Re-employment of Employees**

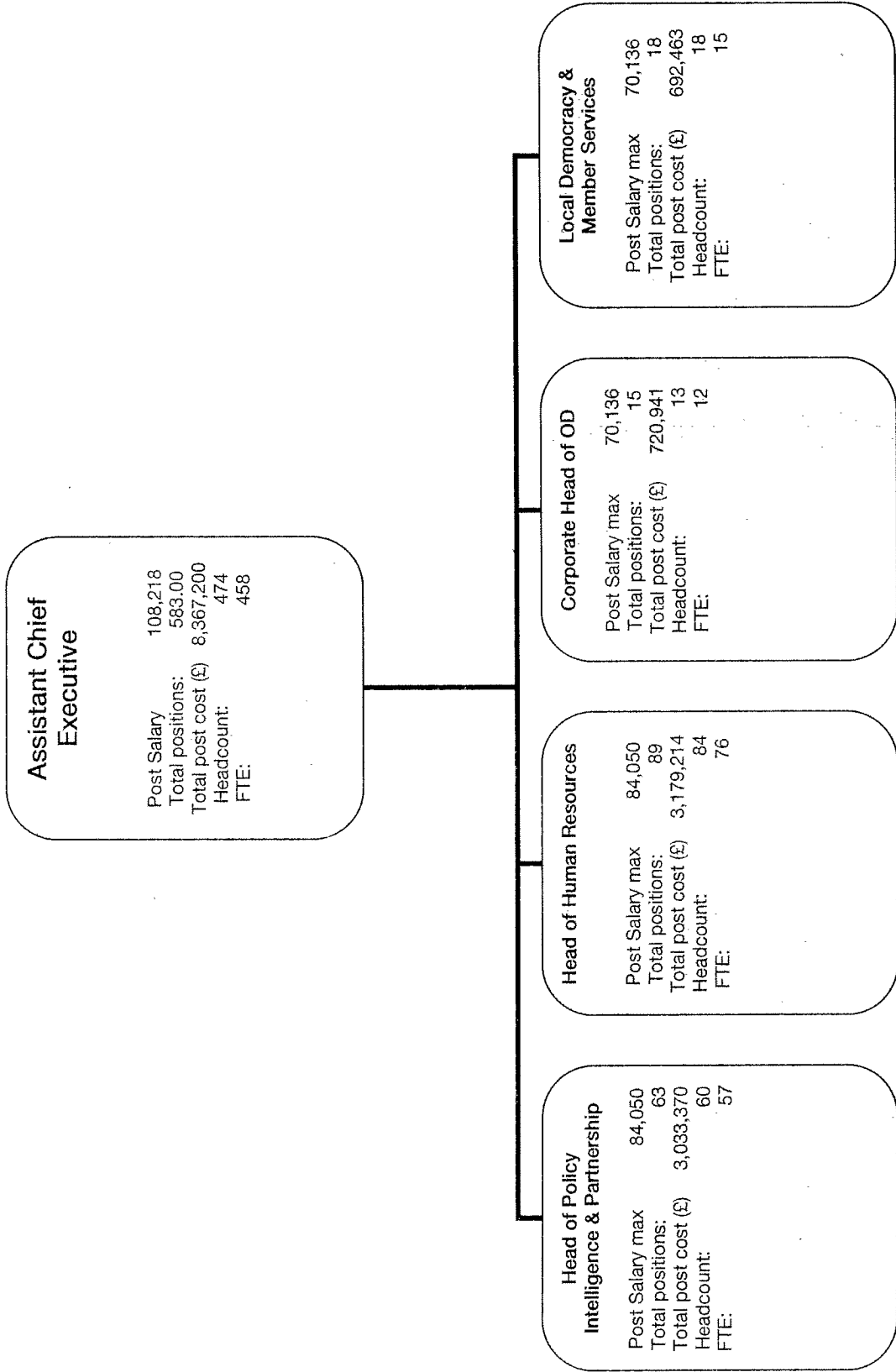
Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be made on merit.

### **Further Information**

For further information on the Council's pay policy please contact the Council's Human Resources Service email [HR.adviceteam@haringey.gov.uk](mailto:HR.adviceteam@haringey.gov.uk) DD 0208 489 3177.

Appendix B – Sample of website chart showing job title, name, salary cost, staff numbers and staff budget.

# CHIEF EXECUTIVE'S SERVICE





Appendix C – Pay Multiple information

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 on the council's website.

The average salary level is defined as the total of all regular payments made to an individual officer including salary, allowances if applicable, regular overtime, performance pay, recruitment or retention allowances, additional responsibility payments, together with any other additional regular payments

The council's pay multiple - the ratio between the highest paid employee and the median average salary figure for all employees in the council – is 1 to 6.8. The council's highest paid employee is the Chief Executive on a salary of £189,440 per annum. The median earnings figure is for all employees is £28,032, which is equivalent to SO1 grade spinal point 31 salary level.

Appendix D – Chief Officer Appraisal Scheme

Performance Management Scheme for Chief Officers

**Scope**

This scheme is intended to apply to all posts governed by the JNC for Chief Officers terms and conditions. The scheme may be applied to other posts with the express prior approval of the Chief Executive.

**Purpose**

The scheme exists to enable the measurement and recognition of individual and team performance. The scheme is intended to provide guidance about poor performance but is not a replacement for the Council's arrangements for managing poor performance or conduct. The scheme is not intended to form a part of the contract of employment. Instead it provides management guidance about the operation of contractual pay and related performance actions.

**Operation**

The scheme is intended to be used throughout the working year and to provide guidance as to an officer's performance management. It is not intended that the scheme provides prescriptive regulation and deviations from the letter or spirit of the guidance are permissible. Such actions should be discussed and noted by the parties involved. No party to the scheme should become involved in performance management or measurement until they have received training and instruction in the operation of the scheme.

**Relationship with other Council procedures.**

The scheme relates with the Council's arrangements for chief officer pay, capability and conduct. Nothing in this scheme shall be taken to alter those procedures unless it is explicitly provided within the scheme and accepted by the officer as a replacement for current practice. Decisions taken within the scheme may be discussed and challenged only within the terms provided by the scheme itself. No recourse to the Council's grievance procedure is recognised for decisions taken using the scheme.

**Monitoring & Review**

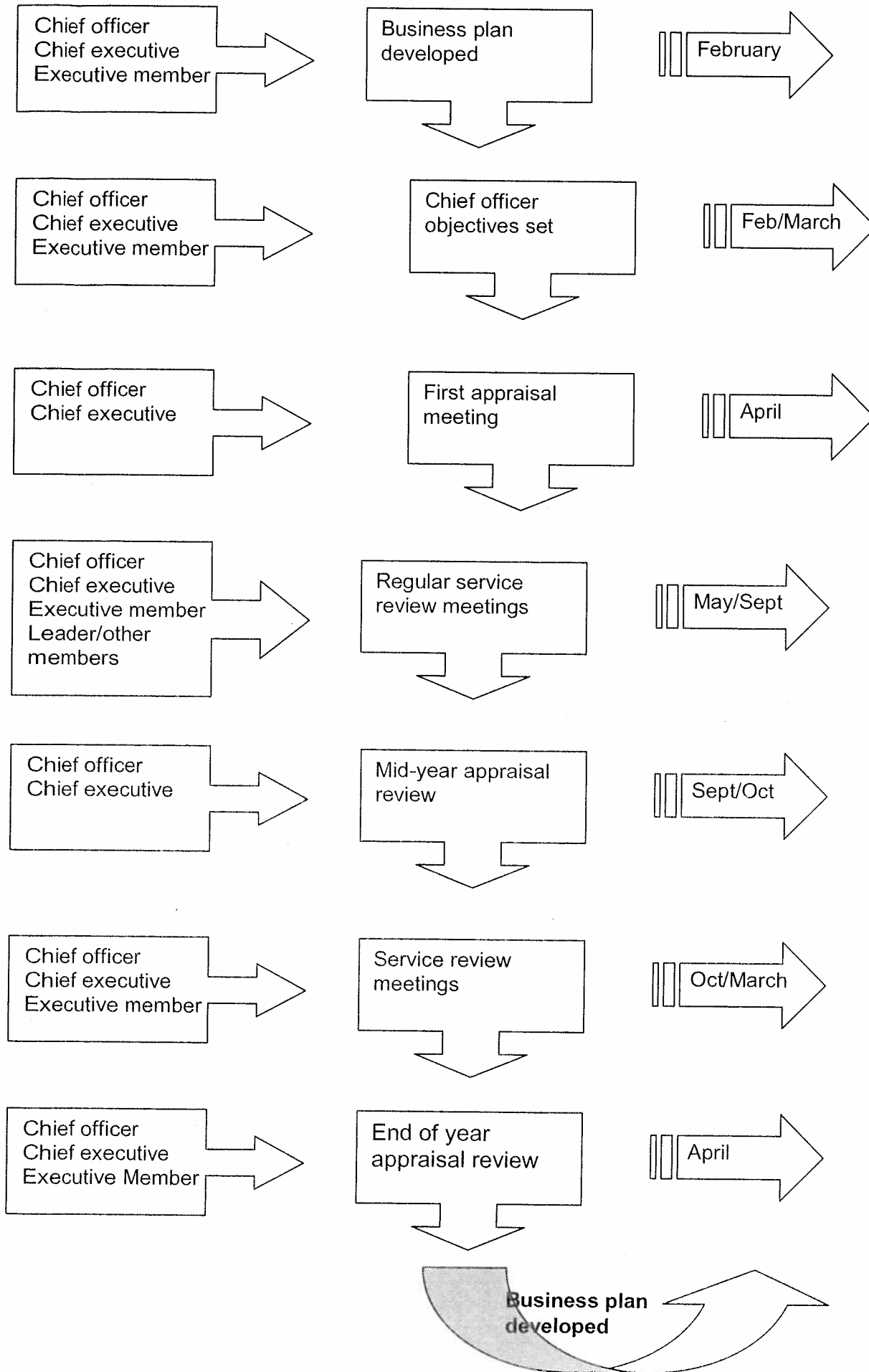
The scheme shall be monitored each year to ensure that it delivers an effective framework for performance management. The Chief Executive shall undertake revisions to the scheme and issue amendments as required.

**Local Government Act 2000**

Actions taken under this scheme for chief officers are the responsibility of the chief Executive. He may consult with elected members at his discretion. A politically balanced non-Executive Member panel shall undertake the appraisal of the Chief Executive.

**Service monitoring & process**

A process chart for the scheme is described below.



## Setting Performance Objectives

Objectives should be derived from the business plan objectives discussed and agreed with Members. Members play a key role in the determination of chief officer objectives even where posts may report through other officers. The balance of responsibility is vital to a successful performance management and measurement system. Employees of the Council are managed by other officers or the Chief Executive. They work to an agenda determined by Members. It follows that a process for objective setting in the chief officer appraisal cycle should include members. Monitoring of service development and delivery should also be the subject of member attention throughout the year. Day-to-day management should remain the responsibility of the Head of Paid Service.

## Objectives

Typically performance objectives should reflect the business objectives and corporate initiatives of the appraisee. The scheme asks that tasks are identified for each business objective. Whilst the business objective may be broad, tasks should enable the employee and appraiser to be clear about what is required, when it is to be completed, the standard required expressed as either output or outcome. The scheme also provides an opportunity to state performance measures/outputs for each task, thus:

**Example Service objective 1:** *To improve staff retention in key posts*

### Key Tasks:

- a) *Establish effective workforce data including turnover by dd/mm/2003*
- b) *Develop a framework of retention measures for agreement by The Executive by dd/mm/2003*
- c) *Engage with key stakeholders to understand and plan employment cultures that encourage staff retention*
- d) *etc*

### Example Performance Measure/Output:

- a) *New data system reporting retention issues to Management Board by dd/mm/2003, to include exit interviews.*
- b) *Framework researched, agreed with stakeholders, and ready for implementation by dd/mm/2003.*
- c) *Partnership for an established for key posts with employers, unions, members, and associations by dd/mm/2003. Employment cultures assessed for high and low turnover occupations.*
- d) *etc*

## Checking Your Objectives

After you have written your objectives, check them against the questions in the following list:

1. **Are the objectives realistic?** Objectives should be attainable and consistent with what is necessary to get the job done. Objectives for performance which meets expectations represent the minimum acceptable level of performance for all employees in that position.
2. **Are the tasks specific?** Tasks should tell an employee exactly which specific actions and results he or she is expected to accomplish.
3. **Are the objectives based on measurable data, observation, or verifiable information?** Performance can be measured in terms of timeliness, cost, quality and quantity, output or outcome.
4. **Are the objectives consistent with Council goals?** Objectives link individual (and team) performance to Council goals and should be consistent with these goals.
5. **Are the objectives challenging?** Objectives may describe performance that exceeds expectations. Recognising performance that is above expectations or outstanding is crucial to motivating employees.
6. **Are the objectives clear and understandable?** The employees whose work is to be evaluated on the basis of the objectives should understand them. Objectives should use the language of the job.
7. **Are the objectives dynamic?** As Council goals, technologies, operations or experiences change, objectives should evolve.

## Competency Framework

A competency framework applies to performance appraisal across the Council. The framework enables job related and personal qualities to be measured and developed. The scheme requires that at least four competencies are included in the appraisal. A summary of the framework is attached at appendix 1. The full version is available on Harinet, in the Personnel Manual, or from the Head of Personnel.

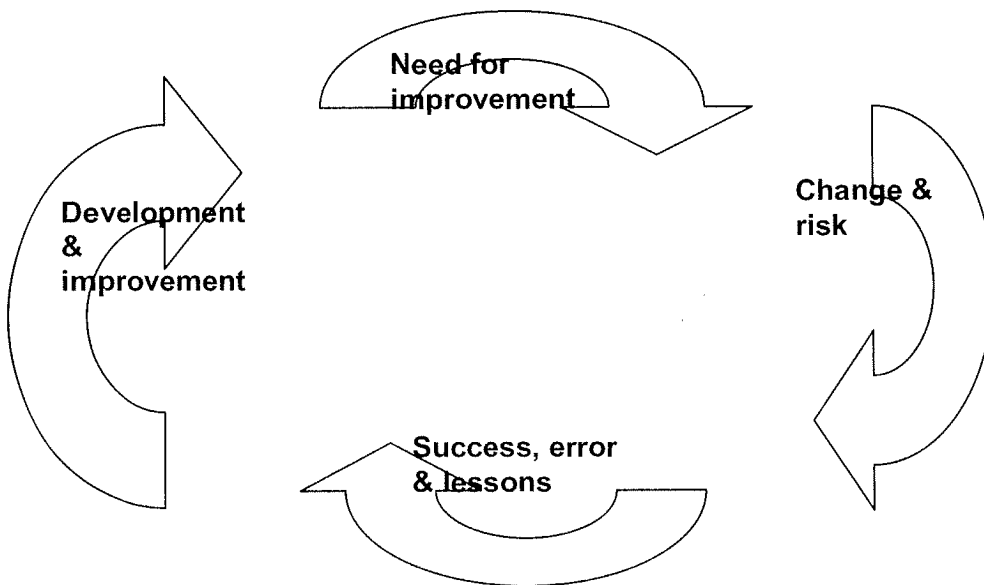
## Monitoring and reviewing objectives

The achievement of service and corporate performance objectives is likely to result from a series of contributing factors, some of which will be in the control of the appraisee, others of which will not. In monitoring performance against objectives it is important to identify that which is to be directly controlled and that over which the appraisee is expected to exert influence. For example if an objective was to reduce Council sickness absence by 2%, then an officer may control the policy framework, council health promotion initiatives, absence reduction activities, etc. Influence is applied through these means and the employment culture generated in respect of any individual employee choice about whether to attend for work.

Members will be involved in the monitoring of service performance throughout the year. It is important that these occasions are used to maximum advantage. Both positive and partial performance needs to be assessed within the context of control

and influence factors. It is suggested that both the objective and the associated tasks therefore form a part of the assessment.

The Council has worked to generate an environment where managers are empowered to take decisions, learn from mistakes and improve services. Such a culture accepts that improved performance is unlikely to be realised as a steady rise in all aspects of service delivery. Instead change models involving risk, error, learning and development are likely. Your role in the setting, monitoring and assessment of service objectives should be cognisant of this model:



The purpose of the Council's performance appraisal scheme remains the improvement of individual and corporate performance against service objectives. Matters of conduct, capability, etc are governed by separate arrangements.

The chief officer scheme develops the version used by the Council by recognising contribution to corporate initiatives. It is likely that you will be monitoring the contribution of teams against corporate targets. Group appraisal requires that you are able to identify individual contribution within a team setting. When the work of teams is appraised, typically the effectiveness of work processes and their results are appraised as well as the ability of the team to work effectively together. These dimensions may be described as the *work of teams* and *teamwork*, and they may be appraised on an individual basis, on a team basis or both. Thus you may be involved in discussions about individual contribution to outcome and methodology/role.

### Sources of Performance Data

The appraisal scheme provides for self-assessment as a part of the process. Appraisees are expected to collect evidence in support of the objectives. Appraisers are free to ask for data to be made available for the purpose of appraisal. As a general rule appraisers should avoid reliance on hearsay and anecdotal evidence. Instead issues relating to performance once raised should be discussed and based on objective, job related, and evidenced data.

A mixture of quantitative and qualitative evidence is preferred. The appraisal documentation includes provision to record performance indicators whether national or local. Corporate and individual indicators of success are also to be included.

### **Corporate & Service Performance**

The Scheme requires measurement of performance against both Service and Corporate objectives. The scheme recognises that all chief officers are required to provide support on Council-wide improvement. The scheme also recognises that individual contribution to corporate working should be identified and measured as a part of the general assessment of performance. The documentation asks that both Service and corporate objectives are identified. The assessment of objectives is based on performance measures set for each, and with reference to the Key Performance Indicators for that area. It follows that each Chief Officer will in part be assessed by the performance of the Council as a whole. The relationship between Service and Corporate performance shall be balanced as in the Scheme at 5 service objectives to 3 corporate targets.

### **Performance & Pay**

Improved performance is motivated by many factors. Measurement and feedback about performance is a key motivator; so too is peer recognition and support for development. Pay may be used to supplement such primary factors but is not intended as the Council's sole motivation method for improving service performance. Nor is it the intention of this scheme that pay is the central theme. The use of pay therefore is as a reward for improvements and as one form of recognition.

The Council recognises that exceptional performance warrants recognition in its remuneration of senior staff. The Council will take account of performance as a whole rather than being led by any single process or indicator. Performance appraisal therefore plays but one part of the overall pay assessment of senior staff. Such assessment will take account of an employee's contribution to the Council's corporate performance, the improvements realised in employees' service areas, and individual contribution. Measurement of performance will include performance indicators, the appraisal, and contribution to corporate improvement. Such assessment must account for both individual and team contributions by the appraisee.

The Scheme promotes the use of increments to reward performance. Increments may be awarded on a consolidated or non-consolidated basis. The scheme recognises the relationship between pay and performance as follows:

- Employees who demonstrate a level of performance below satisfactory shall not be awarded an increment.
- Employees who demonstrate satisfactory and expected performance may be awarded one increment as a consolidated pay progression.
- Employees who demonstrate lasting service improvements and performance beyond expectation may be awarded one consolidated increment and a performance award equivalent to a maximum of two increments paid on non consolidated basis.
- Employees who demonstrate exceptional performance achieving permanent step changes in service delivery may be awarded two consolidated increments and a performance award equivalent to up to two increments paid on non consolidated

basis. It is anticipated that such awards will not be frequent and may be in recognition of achievements made of several years.

The above system shall apply up to the maximum of the 8-point grade. Thereafter, three non-consolidated performance award points shall be available to recognise officer contribution. The categories above shall be used to determine the number of performance awards. The system may be also expressed as a table:

<b>Performance</b>	<b>Increment</b>	<b>Performance Award</b>
Below standard	0	0
Meets objectives	0	0
Exceeds objectives	1	0 (discretion for 2)
Exceptional performance	1	1 (discretion for 2 )

**Documentation**

The scheme provides standard forms for recording objectives, and measuring performance.

**Poor Performance**

The scheme provides a basis for improvement, and development. A part of the process requires that appraisees identify areas for improvement. The primary aim of the scheme is to support improved performance by a variety of developmental activities. In some cases, opportunities for improved performance will be less apparent. Regular monitoring and discussion about service and individual objectives throughout the year will ensure that such occurrences are not a surprise for any of the involved parties. Recourse to disciplinary or capability actions may be required in extreme circumstances and should be governed by those separate procedures.

**Remuneration Panel**

Decisions about appraisal performance and recommendations for improvement are the responsibility of the appraisee’s manager. Recommendations for pay awards relating to performance shall be developed by the appraiser. The Chief Executive shall receive and consider all performance pay proposals. He will put forward to the Remuneration Panel his decisions on performance pay awards that take account of performance as a whole both across the Council, and of the service Directorate. The role of the Remuneration Panel is to audit the process of awards and challenge any that the Panel believes are not in keeping with the process. The Remuneration Panel will not receive appraisal notes, but will be provided with a briefing about service performance for any area in debate. The Executive Member for a service shall be asked to attend the Remuneration Panel if such a debate is required.

**Confidentiality**

The detail of individual appraisals remains confidential between the appraisee and appraiser(s). Neither the Remuneration Panel nor the Council as a whole will receive details of individual performance. Instead a summary of overall service achievement against targets shall be made available, using a standard format. The terms of reference for the Remuneration Panel require that sensitive pay and performance matters are managed with the utmost confidentiality. Discussions at the Panel are held in closed session with the press and public excluded under the Local Government Act. Members of the Panel agree that the detail of discussion shall remain confidential to



them and communication with the Council, its employees and agents shall be agreed by the Panel prior to the release of any information.

**Competency and Development**

Follow the Council's competency framework to assess the behavioural aspects of management performance. And set short term and longer term development activities following the council's standard appraisal framework for all staff.



## POLICY STATEMENT ON THE USE OF ITS DISCRETIONARY POWERS:

## Summary Document

This is a summary policy statement on the Council's use of its discretionary powers under the Local Government Pension Scheme Regulations and Local Government Pension Scheme Compensation Regulations.

The full version can be seen on the Harinet Pensions Page (click Personnel and follow the links) and the Haringey Pensions Web Page ([www.haringey.gov.uk/pensionfund](http://www.haringey.gov.uk/pensionfund).)

The current policy was reviewed and updated by General Purposes Committee on 10<sup>th</sup> March 2009.

**This policy statement only applies to scheme members employed by Haringey Council. Scheme members not employed by the Council must refer to the Policy Statement issued by their employing body.**

**Councillor Members should refer to Part 2**

<b>Part 1.A Pensions Discretions</b>	
Employee Members	
<b>1.</b>	<b><u>Choice of early payment of pension (Regulation 30)<sup>1</sup></u></b>
	<p>This applies to members who cease employment after age 55<sup>2</sup> and before age 60 who elect for early payment of their retirement benefits.</p> <p>The Council's policy is to allow early payment of benefits as provided by Regulation 30 where there is a clear financial or operational advantage to the Council in doing so.</p> <p>The Council will consider waiving any actuarial reduction on 'compassionate grounds' as defined in Paragraph 5 of the Policy Statement below.</p> <p>Each case will be considered on its merits and will be subject to approval by the Chief Financial Officer acting under delegated powers.</p> <p>Any Capital Cost arising will be met from Service / Business Unit budgets and will be paid into the Fund within a three month period.</p> <p>First and second tier Officers will require Member approval.</p>
<b>2.</b>	<b><u>Early Retirement on Redundancy and Business Efficiency (Reg 19)</u></b>
	<p>Members age 55<sup>3</sup> and over who are retired on redundancy or efficiency grounds have entitlement to immediate payment of unreduced benefits.</p> <p>Any Capital Cost arising from an early retirement on redundancy or business efficiency will be met from Service/Business Unit budgets and must be paid into the Fund within a three month period.</p> <p>Each case will be considered on its merits and will be subject to approval by the Chief Financial Officer acting under delegated powers.</p> <p>First and second tier Officers will require Member approval</p>
<b>3.</b>	<b><u>Early payment of Deferred Benefits (Regulation 30)</u></b>
	<p>A member who left with entitlement to Deferred Benefits can elect from age 55<sup>4</sup> to have the benefits put into payment early. An election made before age 60 requires employer</p>

<sup>1</sup> All regulations quoted are from the Local Government Pension Scheme (Membership Contributions and Benefits) Regulations 2007 as amended.

<sup>2</sup> A member in the scheme at 31<sup>st</sup> March 2008 retains the right to immediate payment of benefits having attained age 50 provided they are retired on redundancy or business efficiency before 1<sup>st</sup> April 2010

<sup>3</sup> A member in the scheme at 31<sup>st</sup> March 2008 retains the right to immediate payment of benefits having attained age 50 provided they are retired on redundancy or business efficiency before 1<sup>st</sup> April 2010

	<p>consent.</p> <p>Benefits claimed before age 65 may be subject to an actuarial reduction unless the Council agrees to waive the reduction on compassionate grounds (see para 5 below)</p> <p>The Council's policy is to allow early payment of Deferred Benefits only if the case can be considered on 'Compassionate Grounds' as defined in paragraph 5 below or otherwise where there is no financial disadvantage to the Council for doing so.</p> <p>Each case will be considered on its merits and will be subject to approval by the Chief Financial Officer acting under delegated powers.</p>
<b>4.</b>	<b><u>Flexible retirement (Regulation 18)</u></b>
	<p>The Council will consider applications for Flexible Retirement from scheme members age 55 and over.</p> <p>As a minimum requirement, a member's pay must reduce by at least four spinal points or the equivalent in reduced hours</p> <p>Both the transfer to a lower graded post or reduction in hours of work and the early release of retirement benefits is an employer discretion</p> <p>In considering Flexible Retirement both the needs of the member and the Service must be taken into account. Initial approval rests with the Service Chief Officer e.g. Assistant Director or equivalent with final approval by the y Head of Human Resources.</p> <p>The early release of benefits before age 65 has the potential to incur an actuarial reduction in benefits. The Chief Financial Officer has delegated authority to waive any actuarial reduction, but only in exceptional circumstances that benefit the business and operational needs of the service. The cost to the Fund will be met from the Service budget.</p> <p>Acceptance of Flexible Retirement debars the member from changing their job to a post offering higher pay or increasing their hours within the Council or from returning to employment on higher pay with the Council for a period of not less then three years.</p> <p><b>The full Flexible Retirement Policy, Procedure and Documentation is available on Harinet (click Personnel and follow the links)</b></p>
<b>5.</b>	<b><u>Discretion to waive an actuarial reduction under Regulation 30</u></b>
	<p>Although the term compassionate grounds is not defined in the regulations, the Council's policy is to apply the following definition:-</p> <p>'Compassionate Grounds means that the scheme member is required to look after a sick dependant relative on a whole time basis, is therefore unable to take up gainful employment, and in consequence is suffering financial hardship.'</p> <p>In addition, the Council will satisfy itself that the sick dependant relative has a permanent long-term condition with a reasonable life expectancy having regard to his/her age.</p> <p>Each case will be considered on its merits and will be subject to approval by the Chief Financial Officer acting under delegated powers</p>
<b>6.</b>	<b><u>Awards of Added Membership Reg. 12</u></b>
	The Council's policy is not to award additional membership
<b>7.</b>	<b><u>Awards of Additional Pension Reg.13</u></b>

<sup>4</sup> Deferred Member benefits which began before 1<sup>st</sup> April 2006 can be claimed from age 50. Deferred Member benefits for a member which began after 1<sup>st</sup> April 2006 can be claimed from age 50, provided the election is made before 1<sup>st</sup> October 2010

	The Council's policy is not to award additional pension
8.	<b><u>Payment of Death Grants for Active Members Regulation 23, Deferred Members Reg.32 and Pensioner Members Regulation 35.</u></b>
	<p>A death grant will usually be paid in accordance with the member's nomination or, where there is no nomination, to the legal personal representatives. However where it is considered that:</p> <p>a) an existing nomination may no longer reflect the member's intentions (for example there is a subsequent marriage, divorce or children) or,</p> <p>b) there is a deserving recipient (who must be have been his relative or dependant at some time) who would otherwise be excluded by payment to the Estate or,</p> <p>c) payment to the Estate may be inappropriate for other reasons (for example where inheritance tax may be a factor if payment were made to the Estate).</p> <p>Payment may be made in the manner and proportions the Council believe appropriate in the circumstances of the case.</p> <p>In all cases, the release of the Death Grant is delegated for approval to the Chief Financial Officer.</p>
9.	<b><u>Disregarding a break in full-time education for a Childs Pension to continue in payment.</u></b>
	<p>a. Where there is a break in full-time education or training, the Chief Financial Officer will decide whether such a break can be ignored on the child's return to full-time education or training</p> <p>b. The Chief Financial Officer will have regard to the circumstances of each case within the guideline that the break should not generally extend beyond 12 months from the beginning of one academic year to the end of one academic year, or include periods of full-time employment of more then three months</p> <p>c. Where the gap extends beyond the 12 month limit as described above, the child must be able to clearly demonstrate a clear intention to return to full-time education or training and has not undertaken paid employment as an alternative career option to returning to fill-time education or training</p> <p>d. Where the Chief Financial Officer deems it appropriate to ignore a break in full-time education or training, the child's pension will be reinstated from the re-commencement of full-time education or training or such earlier date as the Chief Financial Officer deems appropriate based on the individual circumstance of the case.</p> <p>e. The exercise of this discretion will be reported to the Pensions Committee.</p>
10.	<b><u>Abatement (reduction) of pensions on re-employment</u></b>
	<p>Members of the Fund who commence re-employment or who return to Office after 31<sup>st</sup> March 1998 will be liable for an abatement in their pension in the circumstances described below.</p> <p>The abatement will be calculated in accordance with the provisions of Schedule 5 to the Local Government Pension Scheme Regulations 1995.</p> <p>Pensioner members who commence re-employment or return to Office in local government following retirement on medical grounds. or re-employment or return to Office with Haringey Council or its employing bodies in circumstances where the member has retired early with no percentage reduction to the retirement benefits will be subject to an abatement except in cases of Flexible Retirement agreed in accordance with Regulation 18.</p>

<b>11.</b>	<b>Waiving of time limits</b>
	The Council's policy is to waive time limits set within the Pension Scheme Regulations where it is satisfied that the individual could not have known of the requirement to make an election at the proper time.
<b>12.</b>	<b><u>Medical clearance to purchase Additional Pension ( ARCs) Regulation 23 (Administration Regulations)</u></b>
	An application to purchase additional pension will only be accepted if the member makes a declaration that he/she is in reasonably good health and has not been seen by a medical practitioner within the last 12 months or otherwise where the member provides a report by a registered medical practitioner of the results of a medical examination undertaken at the member's own expense
<b>13.</b>	<b><u>Attributing salary bands</u></b>
	Salary bands are attributed on 1 <sup>st</sup> April based on basic annual pensionable pay plus variable pensionable pay over the last twelve months.  New starters to be attributed a salary band on the first day of membership based on basic annual pensionable pay.  That with the exception of back-dated pay awards to 1 <sup>st</sup> April, no variation will be made to a member's attributed salary band other than at each annual review date on 1 <sup>st</sup> April of each subsequent year.  To ensure the smooth implementation of this change any variation to this policy is delegated to the Head of Human Resources subject to approval at the next available meeting of General Purposes Committee
<b>14.</b>	<b><u>Shared Cost Additional Voluntary Contribution Scheme</u></b>
	The Council's policy is not to provide a Shared Cost AVC scheme
<b>Part 1.B Compensation Discretions</b>	
<b>Discretions exercised by Haringey Council in accordance with provisions of</b> The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended) and the Local Government (Discretionary Payments) Regulations 1996 as amended	
<b>1.</b>	<b>Compensation for Redundancy</b>
	Compensation on redundancy will be based on ; 1 weeks pay for each complete year of service up to a maximum of 20 years total service.
<b>2.</b>	<b>Rate of Pay for Redundancy Purposes</b>
	The redundancy payment is based on the actual weekly rate of pay at the relevant date. (This is usually but not always, the date notice is given).
<b>Injury Allowances</b>	
<b>3.</b>	An Injury allowance may be paid to an employee who sustains an injury or contracts a disease as a result of anything he/she was required to do in carrying out their work; and either:-  Is certified as being permanently incapacitated and ceases employment. or  Suffers a reduction in pay.  In deciding on the amount of Injury Allowance payable, the Council takes into account

	<p>all the circumstances of the case.</p> <p>The maximum amount payable is 85% of Final Pay.</p> <p>Injury Allowances in payment are reviewed annually, and at age 65.</p> <p>Each case is referred for a decision to the Section 151 Officer acting under delegated authority.</p>
4.	<b>Gratuity Payments</b>
5.	<p><b>Gratuities for Non- Pensionable Service: Summary of current Policy:</b></p> <p>Gratuities are paid to retiring employees for service with the Council during which they were not eligible to join the Local Government Pension Scheme.</p> <p>Part Time employees who worked at least 15 hours per week for 35 weeks a year can count service up to 31/3/1987 for gratuity entitlement.</p> <p>Part Time employees who worked less 15 hours per week can count service up to 16/8/1993.</p> <p>Gratuity payments do not apply to casual employment</p> <p>The payments are calculated on 3.75% of Annual Pay for each year of gratuity service as described above.</p> <p>The employee can choose between a once off lump sum or an annuity payment.</p> <p>A Death Gratuity is also paid if an employee dies in Service.</p> <p>The Death Gratuity is paid to an employee's dependants. It is calculated on 3.75% of Annual Pay for all local government service up to 31/3/1987. It is payable to members of the Local Government Pension Scheme and non-scheme members alike.</p>
<b>Part 2.A</b>	
<b>Councillor Members:</b>	
1.	<p><b>Voluntary Early Retirement <u>Gratuities for Non- Pensionable Service: Summary of current Policy:</u></b></p> <p>Gratuities are paid to retiring employees for service with the Council during which they were not eligible to join the Local Government Pension Scheme.</p> <p>Part Time employees who worked at least 15 hours per week for 35 weeks a year can count service up to 31/3/1987 for gratuity entitlement.</p> <p>Part Time employees who worked less 15 hours per week can count service up to 16/8/1993.</p> <p>Gratuity payments do not apply to casual employment</p> <p>The payments are calculated on 3.75% of Annual Pay for each year of gratuity service as described above.</p> <p>The employee can choose between a once off lump sum or an annuity payment.</p> <p>A Death Gratuity is also paid if an employee dies in Service.</p> <p>The Death Gratuity is paid to an employee's dependants. It is calculated on 3.75% of Annual Pay for all local government service up to 31/3/1987. It is payable to members of the Local Government Pension Scheme and non-scheme members alike.</p>
2.	<b>Voluntary early retirement from age 55</b>
	<p>The Council will not exercise its discretion to release retirement benefits early to councillor members who cease or have ceased to be a member of the Council age 50 and under 65</p>

	The Council will not exercise its discretion to waive the actuarial reduction for councillor members who cease to be a member of the Council and claim immediate payment of benefits
3.	<b>Re-employed pensioners – Abatement of pensions (Regulation 109)</b>
4.	The Council's policy is not to abate a pension in all cases except :- re-employment or return to Office in local government following retirement on medical grounds. or re-employment or return to Office with Haringey Council or its employing bodies in circumstances where the member has retired early with no percentage reduction to the retirement benefits
5.	<b>4. Waiving of time limits</b>
	That the time limits set within the Pension Scheme Regulations will be waived where the member could not have known of the requirement to make an election at the proper time.
6.	<b>Waiving restriction on entry to the Fund Regulation 7 (9)</b>
	The Council's policy is not to restrict re-entry to the Fund where a member has previously elected to opt out more than once
7.	

**Important Note:**

*Nothing stated above confers any statutory rights or overrides the provisions of the Local Government Pension Scheme and Compensation Regulations<sup>5</sup> or related legislation.*

In the event of any dispute over your pension benefits, the appropriate legislation will prevail

**For more information contact the Pensions Team at:-**

Alexandra House 10 Station Road London N22 7TR

*Tel Number 020 8489 5916*

**E-Mail [Pensions.Mailbox@haringey.gov.uk](mailto:Pensions.Mailbox@haringey.gov.uk)**

<sup>5</sup> The main scheme regulations referred to are :-

The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 (as amended)

The Local Government Pension Scheme (Administration) Regulations 2008 (as amended)

The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 (as amended)

The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (as amended).