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Interim Chief Operating Officer Tracie Evans

Haringey Council

Date: Wednesday 18 February 2015

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Dear Colleague

FORMAL CONSULTATION - Performance Management Scheme for Chief Officers 2004 & 2011 ("the Scheme")

Further to my letter of the 28 January 2015, I am writing to inform you that the formal consultation period (28 January to 16 February 2015) on the Performance Management Schemes for Chief Officers has closed.

I would like to take this opportunity to thank staff who provided valuable feedback and honest comments during the consultation period and for attending the briefing sessions.

The Proposal

The proposal that you were consulted on is as follows:

1. To compensate employees in recognition of ceasing the Schemes and in recognition of the non application of the Schemes as follows:
 - i. To pay eligible full-time employees a lump sum payment (non –consolidated) of £4,000 where they have been employed under the Schemes throughout the qualifying period of 1 April 2011 to 31 March 2015.
 - ii. The lump sum payment will be subject to normal deductions such as National Insurance, Tax and Pension.
 - iii. This payment will be pro rata for part time employees and for employees who have only worked part of the qualifying period and for employees who have been employed under the Schemes for only part of the qualifying period.
2. To cease the Schemes



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Matters arising during consultation

In my letter of 28 January 2015 I stated that if proposals were approved by the Staffing and Remuneration Committee on 19th February 2015 all affected employees will be sent a formal letter confirming the decision and the payment settlement offer.

Following on from this letter I sent an e-mail on 6 February 2015 informing you that a further piece of information had been received which will mean that we will be requesting that you sign a settlement agreement.

This settlement agreement will be in full and final settlement of any claims you may have at the date of the agreement arising under the Performance Management Scheme for Chief Officers (under any version of the Scheme) and under which you agree to a variation of contract with the Council so that from the date of the agreement you will not have any future contractual entitlement to payment under any version of the Scheme.

I would like to make it clear that this settlement agreement will not affect any other terms and conditions of your employment.

Outcome of Consultation

Summary of Consultation		
No. employees consulted	No. employees providing feedback	No. employees not providing feedback
63	18 (29%)	45 (71%)

Summary of Consultation feedback			
No. employees providing feedback	No. employees Satisfied with the proposal	No. employees Partly Satisfied with the Proposal	No. employees that did not explicitly specify
18	14 (78%)	*2 (11%)	**2 (11%)
*Employees that partly supported the proposal expressed satisfaction with the payment offer, however, had concerns around ceasing the scheme and no alternative scheme being in place.			
**Employees that did not explicitly specify their support or not, provided general comments and raised some concerns and questions.			
Overall, 16 (89%) of the 18 employees who responded were satisfied with the payment offer.			

The main concern that employees raised was that the Schemes were being ceased without an alternative scheme to take its place.

The Senior Leadership Team (SLT) recognise that ceasing the Schemes with no alternative scheme in place is not ideal. However, we do not want to consider a performance related pay scheme for senior managers in isolation to the rest of the workforce. There is a plan in place to review the pay and grading arrangements of senior managers which we anticipate should be completed by September 2015 and the review of the rest of the workforce by April 2016. The details of this are in the Workforce Plan and The Modern Reward Strategy.

Other general concerns and questions raised by employees have either been addressed in the updated Frequently Asked Questions enclosed or will be considered as part of the Senior

Managers Pay and Grading Review that is within the scope of the Modern Reward Strategy Project.

Taking the above information into consideration and that the majority of employees indicated their satisfaction with the proposal, SLT have agreed to proceed to Staffing & Remuneration Committee on 19th February 2015 and recommend that they agree to the proposal consulted upon.

Next Steps

There are now a number of key next steps that are required to be undertaken which are outlined in the tables below.

Seeking Approval for Proposal:	
Key Date	Outcome
19 February 2015	<p>A report will go to the Staffing & Remuneration Committee informing them of the outcome of the consultation exercise and to seek an appropriate decision.</p> <p>The report will include feedback received from employees during the consultation period but will be anonymised.</p> <p>The Committee Report will be a public document (except for certain legal advice obtained by the Council which will be an exempt report) and will be accessible via the Council's website.</p> <p>If the proposals are approved at Committee then we will proceed to implementation.</p>
20 February 2015	You will be informed of the outcome of the Committee's decision.

In the event the proposals are approved by the Committee, the Council has made arrangements for a firm of solicitors specialising in employment law to provide independent legal advice on the terms and effect of the settlement agreement before you sign it at no cost to yourself.

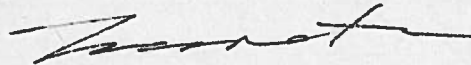
You may, if you wish, seek your own such legal advice in which case the Council would be willing to contribute up to £250 plus VAT towards the cost of that advice if the settlement agreement is signed off by both yourself and your adviser and returned to the Council by 2pm on the 6 March 2015.

Implementation:	
Key Date	Outcome
23 February 2015	You will be sent a draft Settlement Agreement by e-mail outlining the terms of the agreement including the settlement payment and the arrangements to contact the appointed solicitors. If you do not wish to receive this by email then please make alternative arrangements with Nicola Mathieson or Christiana Kyriacou.
23 February 2015 to 2pm on 6 March 2015	You will need to obtain independent legal advice on the terms and effect of the settlement agreement before you sign it.

Implementation:	
Key Date	Outcome
	<p>You will be able to seek legal advice from either the Solicitors firm appointed by the Council or a Solicitors firm of your choice.</p> <p>The process to obtain legal advice from the Council's appointed Solicitors is as follows (you will be advised of the contact details on 23 Feb 2015):</p> <ol style="list-style-type: none"> 1. You will need to contact the firm direct to confirm that you wish to use them 2. Upon contacting the Solicitors firm you will be sent a list of FAQs relating to the draft settlement agreement and will if available be offered a time on either 26 February or 4 March 2015 suitable for you to have a brief meeting with a solicitor (this is a very short walk from Alexandra House) 3. 3 Solicitors will be available on 26 February and 4 March from 10am to 4pm 4. If you are unable to attend an appointment with them on either day you will be able to obtain advice over the phone <p>If you would prefer to engage a Solicitors firm of your choice then the Council will contribute £250 + VAT towards the cost of that advice if the settlement agreement is signed off by both the Council and yourself by 2pm on the 6 March 2015.</p>
6 March 2015 – 2pm	<p>This is the closing date and time to return the settlement agreement signed by you and your adviser. If you feel unable to accept the settlement agreement then I would urge you to discuss your reasons with me or Nicola Mathieson or your trade union representative as soon as possible but before the 6 March 2015. Save in exceptional circumstances if you have not returned your settlement agreement signed by you and your adviser by 2pm on 6 March 2015 then the Council will have no option but to implement the change through a process of issuing you with notice of dismissal, and with an offer of reengagement with the Council on termination of your existing contract of employment with the Council.</p>
13 March 2015	<p>A payment will be made in March's salary for staff who have signed and returned the signed settlement agreement</p>

If you have any queries at all please do not hesitate to contact me or our HR colleagues Nicola Mathieson or Christiana Kyriacou.

Yours sincerely



Tracie Evans
Interim Chief Operating Officer

Frequently Asked Questions Performance Management Scheme for Chief Officers

Q1	How were the proposals reached?
Answer	<p>In the early part of 2014 the non application of the Scheme was brought to the attention of SLT.</p> <p>Two briefing sessions were held with affected employees in August/September 2014 to discuss the historic and future application of the Scheme and a payment proposal was offered to all eligible employees.</p> <p>This offer was subsequently withdrawn as it became clear that further discussions needed to be had with SLT and Members in light of the comments received from employees. It was also important to ensure that the process we use to resolve this matter is fair and transparent and that any steps we take are in line with our policies and governance arrangements.</p> <p>Since those briefing sessions SLT have been working hard on a mechanism to deal with the complexities surrounding this issue and put together a proposal which needed to go through the due governance process.</p> <p>A number of other options were considered during this process as outlined in your consultation letter.</p>
Q2	Why does the scheme have to be ceased?
Answer	<p>The Schemes (2004 & 2011) have not been applied appropriately since April 2011 to date.</p> <p>The Council has just commenced a review of all pay and grading arrangements and consider that senior managers' performance related pay should be considered as part of this exercise rather than in isolation. The Council remains open to exploring links between pay and performance and will look at whether there should be such links and if so what they should be during the course of the Modern Reward Strategy project.</p> <p>This exercise is likely to be completed by April 2016.</p>
Q3	How much will I be paid?
Answer	<p>The payment proposal is:</p> <p>To pay eligible full-time employees a lump sum payment (non –consolidated) of £4,000 where they have been employed under the Scheme throughout the qualifying period of 1 April 2011 to 31 March 2015.</p> <p>This payment will be pro rata for part time employees and for employees who have only worked part of the qualifying period and for employees who have been employed under the Scheme for only part of the qualifying period.</p>

Q4	What is deemed as the qualifying period?																																			
	The qualifying period is from 1 April 2011 to 31 March 2015 and takes account of the time from when the Scheme has not operated appropriately up to the time when the Scheme is proposed to cease.																																			
Q5	How will my payment entitlement be calculated?																																			
	<p>We have identified how much of the qualifying period you have worked, also taking in account whether you are or have been part-time during this period.</p> <p>Example of Payments</p> <table border="1"> <thead> <tr> <th>Example</th> <th>Date commenced employment</th> <th>*Hours employed</th> <th>Date of change of contract</th> <th>**No. of eligible calendar days</th> <th>Calculation Formula</th> <th>Proposed Gross payment</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>15 May 2007</td> <td>36</td> <td>n/a still employed under same contract</td> <td>1460</td> <td>Entitled to full payment</td> <td>£4,000</td> </tr> <tr> <td>2</td> <td>18 Nov 2013</td> <td>36</td> <td>n/a still employed under same contract</td> <td>498</td> <td>$\frac{£4,000}{1460} \times 498$</td> <td>£1,364.38</td> </tr> <tr> <td>3</td> <td>15 May 2007</td> <td>18</td> <td>n/a still employed under same contract</td> <td>1460</td> <td>$\frac{£4,000}{36} \times 18$</td> <td>£2,000</td> </tr> <tr> <td>4</td> <td>25 July 2010</td> <td>36</td> <td>5 Jan 2014 – transferred to new Asst director contract</td> <td>1010</td> <td>$\frac{£4,000}{1460} \times 1010$</td> <td>£2,767.12</td> </tr> </tbody> </table> <p>*A Full Time employee works 36 hours per week</p> <p>**There are 1460 calendar days in the period 1 April 2011 to 31 March 2015</p>	Example	Date commenced employment	*Hours employed	Date of change of contract	**No. of eligible calendar days	Calculation Formula	Proposed Gross payment	1	15 May 2007	36	n/a still employed under same contract	1460	Entitled to full payment	£4,000	2	18 Nov 2013	36	n/a still employed under same contract	498	$\frac{£4,000}{1460} \times 498$	£1,364.38	3	15 May 2007	18	n/a still employed under same contract	1460	$\frac{£4,000}{36} \times 18$	£2,000	4	25 July 2010	36	5 Jan 2014 – transferred to new Asst director contract	1010	$\frac{£4,000}{1460} \times 1010$	£2,767.12
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Q6	When will I receive this payment?																																			
Answer	Employees will have until 2pm on the 6 March 2015 to consider and accept the proposed payment offer by way of returning a settlement agreement signed by them and their legal adviser and once accepted the payment will be made into salaries on Friday 13 March 2015.																																			
Q7	Will this payment be consolidated into my basic pay?																																			
Answer	No. It will be paid as a one off lump sum. Your salary will remain unchanged.																																			

Q8	Will this payment be subject to normal deductions such as National Insurance, Tax, Pension?
Answer	Yes.
Q9	What happens if I do not sign the settlement agreement?
Answer	<p>I would encourage you to utilise the period given to consider accepting the settlement agreement and to raise any matters which would prevent you from doing so with Tracie Evans, Nicola Mathieson or your trade union representative prior to the deadline for returning the signed agreement.</p> <p>Save in exceptional circumstances, if you have not returned your settlement agreement signed by you and your adviser by 2pm on 6 March 2015, then the Council will have no option but to implement the change through a process of issuing you with notice of dismissal, and with an offer of reengagement with the Council on termination of your existing contract of employment with the Council.</p> <p>An example of an exceptional circumstance is where due to illness you cannot obtain independent legal advice on the terms and effect of the agreement during the period of 23 February to 6 March 2015.</p>
Q10	What is the Modern Reward Strategy project?
	<p>The Modern Reward Strategy was approved at Staffing & Remuneration Committee on 20th December 2014 and the Committee report can be found on the Council's website.</p> <p>It will provide the Council and employees with fair, transparent and consistent pay and grading arrangements aligned to equalities and organisational goals.</p> <p>The aim is to review Senior Managers and Chief Officers pay and grading arrangements by September 2015.</p>
Q11	Why is the Council not consolidating an increment as opposed to the payment proposal put forward?
Answer	<p>It would be too costly to the Council to consolidate an increment as this will incur an ongoing cost and will overall increase our paybill going forward at a time when the Council is required to making savings.</p> <p>A vast number of options were considered by SLT before reaching the proposed payment offer and was deemed to be the best way forward.</p>

Q12	Will staff on a lower spinal points get the same money as those on a higher spinal point and if so why?
Answer	Yes. The approach had to be as consistent and fair as possible.
Q13	What approach is being taken with newly appointed senior managers and what are they are told about salary progression and the Performance Management Scheme?
Answer	All new staff employed on JNC conditions are provided with a contract of employment stating that there is currently no salary progression arrangements in place.
Q14	As part of the Senior Managers Pay & Grading review will you look at the salary overlap between PO8 and SM1
Answer	Yes. One of the aims of the Modern Reward Strategy is to have a fair pay and grading structure that is robust, consistently applied and complies with current legislation and the review will address issues like salary overlap between grades.
Q15	The lump sum payment will be subject to a deduction for pension contribution, is that correct?
Answer	Yes. The appropriate advice has been sought from the Council's Pension Manager and pension deductions should be made from non-consolidated payments and will be used when calculating future pension entitlements. This is in accordance with Regulation 20(1) (a) of the LGPS Regulations 2013.
Q16	Will the settlement agreement affect any other terms and conditions?
Answer	No. The settlement agreement is only intended to deal with matters concerning the Performance Management Scheme for Chief Officers and will not affect any other terms and conditions.
Q17	Can you confirm if the legal advice provided by the Council's appointed independent firm of Solicitors is dependent on signing the settlement agreement?
Answer	No it isn't.
Q18	How will performance increments be received going forward?
Answer	Once the Schemes ceases there will be no increments awarded for performance until such time as the Council reviews the senior managers pay and grading structure and/or decides whether to adopt a performance related pay scheme as part of the Modern Reward Strategy Project.