

**UNRESTRICTED MINUTES OF THE STAFFING AND REMUNERATION COMMITTEE
THURSDAY, 19 FEBRUARY 2015**

Councillors Arthur, Elliott, McShane and Meehan (Chair)

Apologies Councillor Vanier

LC51. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Vanier.

NOTED

LC52. URGENT BUSINESS

The Democratic Services Manager – Mr Hart, advised that Items 5 and 8 on the Agenda – Reward: Performance Management Scheme for Chief Officers had been marked ‘TO FOLLOW’ on the agenda had been sent to members on 18 March 2015. They would need to be reasons for lateness given when the Committee considered these items.

NOTED

LC53. DECLARATIONS OF INTERESTS

There were no declarations of interests.

NOTED

LC54. DEPUTATIONS/ PETITIONS/ PRESENTATIONS/ QUESTIONS

Nil Items.

LC55. REWARD: PERFORMANCE MANAGEMENT SCHEME FOR CHIEF OFFICERS - TO FOLLOW

The Chair asked for an introduction of the report.

The Human Resources Advisor – Ms Mathieson informed the meeting that the reasons for lateness in circulating the report had been due to the fact that the employee consultation period had not closed until Monday 16 February 2015 and comments received needed to be given due consideration and included within the circulated report.

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Ms Mathieson advised the Committee of its 'in principle' decision of 26 January 2015 to cease the Performance Management Schemes for Chief Officers and to make a payment to officers to recompense them for this and to recompense them for the period that the Schemes were not applied in accordance with the terms of the Schemes. The 'in principle' decision was then subject to formal employee and trade union consultation, and subject to the Staffing & Remuneration Committee being informed of the outcome of the consultation exercise prior to a final decision being taken. Ms Mathieson advised that the report detailed the outcome of the employee and trade union consultation exercise and sought an appropriate decision. Ms Mathieson advised that previously it had been reported that sixty five employees were in scope of the exercise. However, following the departure of two employees there were now sixty three current employees within scope.

In respect of the consultation embarked upon Ms Mathieson highlighted that:

- All affected employees were sent a letter on 28 January 2015 detailing the proposal as agreed at the Staffing and Remuneration Committee on 26 January 2015 together with a set of FAQs. A copy of the letter and the FAQs were attached at Appendix A of the report.
- Employees attended one of two briefing sessions which took place on 28 January and 4 February 2015. The trade unions had also been invited to the briefing sessions but did not attend. At each session the employees were briefed on the content of the consultation letter and were given every opportunity to ask any questions. The questions that were raised at each sessions and the responses given were detailed in Appendix B of the report. Of the sixty three employees who were in scope of this exercise, forty two attended the briefing sessions (67%).
- Employees were given the opportunity to provide written comments throughout the consultation period and/or had a one to one meeting with the Chief Operating Officer or officers from Human Resources. Eighteen employees (29%) supplied written comments detailed in Appendix C of the report and one employee had a one to one meeting. Forty five (71%) employees did not provide any comments.
- Of the eighteen employees who provided a written comment, fourteen (78%) had been satisfied with the proposal, two (11%) were partly satisfied and two (11%) did not specify either way. Overall sixteen (89%) of the eighteen employees who responded had been satisfied with the payment offer.
- On 6 February 2015 employees were further advised that they would be requested to sign a settlement agreement which would be in full and final settlement of any claims they may have under the Schemes. See section 5 for further details.

Ms Mathieson then briefly outlined the outcome of the consultation, namely :

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- On balance a majority of the employees had expressed their satisfaction with the way forward with a small number expressing some dissatisfaction, with the main concern being that the Scheme was being ceased without an alternative Scheme to replace them;
- The Senior Leadership Team (SLT) recognised that ceasing the Schemes with no alternative Scheme in place was not ideal, but SLT did not wish to have a Performance Related Scheme for senior managers in isolation from the rest of the workforce. There was a plan in place to review the pay and grading arrangements of senior managers which we anticipate should be completed by September 2015 and a review of the rest of the workforce by April 2016. The details of this had been previously reported to the Staffing & Remuneration Committee as part of the Workforce Plan and Modern Reward Strategy. The fact that a majority of the employees indicated their satisfaction with the proposal, SLT agreed to recommend that the Staffing & Remuneration Committee give consideration to the proposals that had been consulted on as outlined in section 2 of the report.
- On 18 February 2015 employees were written to informing them of the outcome of the consultation exercise, including SLT's decision to recommend adoption by the Staffing & Remuneration Committee. An updated FAQs was also circulated with the letter on 18 February 2015 to include the questions that had been raised during the consultation period. A copy of the letter and the FAQs was attached at Appendix D of the report.

Ms Mathieson then advised that discussions then needed to then proceed in the exempt part of the proceedings.

The Committee resolved to exclude the public and press.

The Committee resolved to re-include the public having considered the exempt item.

The Chair then summarised and it was:

RESOLVED

- i. That approval be given to the ceasing of the Reward: Performance Management Schemes for Chief Officers with effect from 1 April 2015;
- ii. That approval be given to compensating employees in recognition of ceasing the Schemes and in recognition of the non application of the Schemes as follows:
 - a. That eligible full-time employees be paid a lump sum payment (non – consolidated) of £4,000 where they have been employed under the

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Schemes throughout the qualifying period of 1 April 2011 to 31 March 2015.

- b. That the lump sum payment to be subject to normal deductions such as National Insurance, Tax and Pension;
 - c. That this payment would be pro rata for part time employees and for employees who had only worked part of the qualifying period and for employees who had been employed under the Schemes for only part of the qualifying period; and
- iii. that approval be given to employees being requested to sign a settlement agreement to waive any contractual and statutory rights they may have under the Schemes as detailed in section 5 of the report.

LC56. EXCLUSION OF THE PUBLIC AND PRESS

LC57. REWARD: PERFORMANCE MANAGEMENT SCHEME FOR CHIEF OFFICERS - TO FOLLOW

The Committee noted the advice given by Ms Mathieson.

LC58. RE-INCLUSION OF THE PUBLIC AND PRESS

LC59. PAY POLICY STATEMENT 2015/ 16

The Chair asked for brief introduction of the report.

The Human Resources Advisor – Ms Mathieson informed the Committee that the Council was required to produce an annual Pay Policy Statement to comply with the requirements of the Localism Act 2011. The Council approved its most recent Pay Policy Statement in July 2014. The attached Pay Policy Statement provided an update for publication in April 2015.

Ms Mathieson advised that the Localism Act 2011 required relevant authorities to prepare and publish an annual Pay Policy Statement. Under this legislation the Council was obliged to state how the pay of senior managers was determined. In addition, the supplementary guidance issued under section 40 of the Localism Act required full Council to be given the opportunity to vote on any proposed payment upon appointment or termination of employment of £100,000 or more.

Ms Mathieson advised that it was not proposed that the approval of payment upon appointment or termination of employment of £100,000 per annum or more would be reserved to Full Council. If this was so it would create unnecessary delay in either appointing or finalising the termination of the employment an officer. The risks of this were that the Council may lose a potential appointee whilst they waited for a salary approval. In the case of a termination of employment by way of agreement the officer's employment could not be ended until the severance payment was agreed.

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This would create an unnecessary cost as the officer would need to remain on full pay until that decision was taken. Ms Mathieson advised that the Staffing & Remuneration Committee's current terms of reference provide that it was required to consider and approve payment upon appointment or termination of employment of £100,000 per annum or more.

The legal advisor– Mr Jankowski advised the Committee that it was necessary to amend recommendation 3.2 as stated in the report at the third line by substituting the word “may” for “will” as Leading Counsel had advised that if there were any employees contractually entitled to the Performance Management Scheme for Chief Officers after 31st March 2015, then that would need to be reflected in the Pay Policy Statement as the Scheme would be in operation in respect of those employees in 2015-2016. At the current time the Statement simply stated that “Performance related pay was not used for Chief Officers or Senior Managers”. As it was not known if there would be any such employees, thus “may” rather than “will” was necessary.

Mr Jankowski advised that if all the employees covered by the Scheme accepted the settlement agreement, then there would be no employees contractually entitled to the Scheme after 31st March 2015. However if one or more of them did not accept the settlement agreement, then it was likely there will be employees contractually entitled to the Scheme after 31st March 2015, as even if the Council gave them notice of dismissal (which it would envisage doing save in exceptional circumstances, then it could be presumed that these staff would be given notice in accordance with their contractual notice of entitlement of 3 months, which would mean their current contracts would end after 31st March 2015.

There being no points of clarification the Chair summarised and it was:

RESOLVED

- i. That approval be given to the revised Pay Policy Statement 2015/16, attached at Appendix A to the report, following approval at this meeting of the Performance Management Scheme for Chief Officers and Senior Managers (“ the Scheme”) being terminated by a date on or before 31st March 2015, and that the Staffing & Remuneration Committee was legally advised that the Scheme would not be in operation after 31st March 2015 to any extent;
- ii. That in the event that the Staffing & Remuneration Committee receives legal advice that the Performance Management Scheme for Chief Officers and Senior Managers Scheme may be in operation after 31st March 2015 to any extent, then the Interim Assistant Director of Human Resources and Organisation Development be authorised in consultation with the Chair of Staffing & Remuneration Committee to make such amendments to the Pay Policy Statement as is considers appropriate to reflect that fact; and
- iii. That the Pay Policy Statement (as amended if applicable) be referred to Full Council for endorsement at its meeting on 23rd March 2015.

Signed by Chair

Date

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