

APPENDIX I: RECOMMENDATIONS AND ACTION PLAN

Key: ■ Statutory recommendation ■ Other recommendation ■ Other observations

AREA	RECOMMENDATION	MANAGEMENT RESPONSE	RESPONSIBLE OFFICER	TIMING
<div style="background-color: red; width: 100%; height: 100%;"></div>	<p>When presenting information on severance arrangements for senior staff, the Council should ensure that the appropriate Committee is given sufficient detail on the costs and alternative options, while taking into account confidentiality requirements. More detailed guidance is provided in the Audit Commission report: <i>By Mutual Agreement - Severance Payments to Council Chief Executives (2010)</i>. Particular attention should be paid to improving decision-making by adopting the following approach:</p> <ul style="list-style-type: none"> • making costed option appraisals available to Members • making a robust case for any discretionary payments • ensuring Members need to make an <i>active</i> approval of discretionary elements 	<p>Accepted. A protocol for considering severance arrangements in relation to senior staff (including the Head of Paid Service) will be developed for Full Council and HR Committee approval.</p> <p>The protocol will incorporate arrangements for ensuring HR Committee or its nominated sub-committee (following presentation of costed options that demonstrate value for money), agree in advance the case for and parameters of any discretionary payments, prior to any payments being agreed.</p> <p>The accounting treatment for the payment and disclosure note for the accounts will be included as part of the option appraisal. All disclosure requirements will be reviewed for endorsement by the S151 officer, or their deputy and Monitoring Officer, prior to the submission of the report to the HR Committee, or nominated sub-committee for agreement.</p>	<p>Director of Workforce and Change</p>	<p>May 2019</p>

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	<p>A policy and associated guidance should be drafted to cover severance packages for senior staff, including the following:</p> <ul style="list-style-type: none"> • what can and cannot be included in the package, i.e. whether it is limited to purely contractual terms (e.g. payment in lieu of notice, contractual pension contributions) or whether discretionary elements (e.g. contributions to legal costs or training, other discretionary payments) are allowed; • financial limits and approval levels for individual elements of the package, both contractual and discretionary, and the overall package; • the process for authorising individual elements of the package and the overall package 	<p>Accepted. A policy as an addendum to the Pay Policy Statement will be developed to address this recommendation. This will be considered by the HR Committee at its meeting in May 2019 for recommendation to the Annual Council Meeting. It will include the approach the council may take in offering a payment to senior staff as part of a decision which for any reason, results in the ending of their employment. The elements to be broken down within any such payments, financial limits and the monitoring and approval process.</p>	<p>Director of Workforce and Change</p>	<p>May 2019</p>
	<p>The HR Committee Terms of Reference should be revised to explicitly cover the point that any severance payment to the Head of Paid Service should be recommended by the HR Committee for approval by Full Council. Alternatively, Full Council could delegate the approval of any severance payments in respect of the Head of Paid Services</p>	<p>Accepted. Refreshed terms of reference will be considered by the HR Committee at its meeting in May 2019 for recommendation to the Annual Council Meeting. This will specifically address the responsibility delegated to the HR Committee regarding the approval of payments in respect of senior staff.</p>	<p>Director of Workforce and Change</p>	<p>May 2019</p>

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	<p>If discretionary payments are made as part of severance packages, then they should be fully explained in the notes to the financial statements, with the salary element of any such payment being disclosed as 'Compensation for Loss of Office', in line with the requirements of The Accounts and Audit Regulations 2015</p>	<p>Accepted. All disclosure requirements will be reviewed and endorsed by the S151 officer, or their deputy and Monitoring Officer, and will be included in the report to the HR Committee, or nominated sub-committee as part of the options appraisal outlined above.</p> <p>This report will inform the final treatment in the accounts. The total amount of any compensation for loss of office' paid to senior staff in connection with the ending of their employment will be set out in the notes and any discretionary payments made as part of the payment will be separately outlined.</p>	<p>Director of Finance</p>	<p>May 2019</p>