

HR Committee

9th May 2019



Report of: Director: Workforce and Change

Title: Senior executive remuneration review

Ward: N/A

Officer Presenting Report: John Walsh (Director: Workforce and Change)

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Recommendation

That the Committee recommends to the full Council an addendum to the Council's Pay Policy Statement and amendments to the terms of reference of the Human Resources Committee, which includes delegation to the Committee of the power to approve severance payments in respect of the Head of Paid Service.

Summary

This report sets out a proposed protocol for considering severance arrangements (including mutually-agreed terminations of employment) in relation to the Head of Paid Service and JNC Chief Officers.

The significant issues in the report are:

- This report responds to statutory recommendations arising from a Senior Executive Remuneration Review, which was conducted as part of the audit of the Council's accounts for the year ended 31st March 2018.



Policy

1. The Council's policy in respect of contractual payments to the Head of Paid Service and JNC Chief Officers is set out in its Pay Policy Statement, in the Council's HR policies and in contracts of employment with those officers.

Consultation

2. **Internal**
None.
3. **External**
None.

Context

4. A Senior Executive Remuneration Review conducted as part of the audit of the Council's accounts for the year ended 31st March 2018 has made statutory recommendations, which have been accepted by the Council.

Proposal

5. It is proposed that the following paragraph be adopted as an addendum to the Council's Pay Policy Statement:
 - 5.1. *Where a situation arises that may lead to a proposal to make a severance payment to the Head of Paid Service or a JNC Chief Officer, a meeting of the Human Resources Committee will be called in exempt session in order to brief members on:*
 - a) *The facts and circumstances relating to the matter*
 - b) *Identifying potential risk and liabilities including legal costs*
 - c) *Presenting potential options to resolve; and*
 - d) *Seeking the Committee's decision on the preferred option(s), including the parameters of any negotiation.*

The Mayor (or his nominee) may attend this meeting.

The options provided to the Committee will include a costed options appraisal clearly identifying any discretionary elements of the proposed severance payment and will be approved by the Council's s.151 officer (or deputy) and the Monitoring Officer before being presented to the Committee.

6. It is proposed that the following amendments be made to the terms of reference of the Human Resources Committee, as set out at Appendix A:

6.1. The following paragraph to be added:

Determine the preferred option(s) for resolution and parameters of any negotiation that may lead to a severance payment to the Head of Paid Service or a JNC Chief Officer.

6.2. The final bullet point of paragraph 5 (“Approving compensation for loss of office...”) be deleted.

6.3. References to “Director: HR, Workforce & Inclusion” be replaced with “*Director: Workforce & Change*”.

6.4. Reference to “Workforce Plan” be replaced with “*Organisational Improvement Plan*”.

Other Options Considered

7. None.

Risk Assessment

8. The Council is required to respond to the statutory recommendations of its auditors.

Public Sector Equality Duties

9a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
- ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);

- encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.

9b) An equality impact assessment has not been completed because this proposal concerns less than 20 individuals.

Legal and Resource Implications

Legal

“This report reflects the recommendations agreed by Full Council at its meeting on 19th March 2019.”

Advice provided by Husinara Jones (Team Leader), 24th April 2019

Financial

(a) Revenue

“To follow.”

(b) Capital

Not applicable.

Advice provided by name (job title), date

Land

Not applicable.

Personnel

“The proposals sets out the arrangements that will apply in the event of a Severance Package being considered for the Head of Paid Service or JNC Chief Officer. These will need to be followed in all cases where a severance package is being considered. These arrangements will apply to a cohort of 17 employees.”

Advice provided by Mark Williams (Head of HR), 26th April 2019

Appendices:

A – Proposed updated Human Resources Committee terms of reference

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None.