

Human Resources Committee

**Thursday, 7 March 2024 at 6.30 p.m.
Committee Room - Tower Hamlets Town Hall,
160 Whitechapel Road, London E1 1BJ**

Combined Agenda

APOLOGIES FOR ABSENCE

1. DECLARATIONS OF INTERESTS (PAGES 3 - 4)

Members are reminded to consider the categories of interest in the Code of Conduct for Members to determine whether they have an interest in any agenda item and any action they should take. For further details, please see the attached note from the Monitoring Officer.

Members are reminded to declare the nature of the interest and the agenda item it relates to. Please note that ultimately it's the Members' responsibility to declare any interests and to update their register of interest form as required by the Code.

If in doubt as to the nature of your interest, you are advised to seek advice prior to the meeting by contacting the Monitoring Officer or Democratic Services

2. MINUTES (PAGES 5 - 8)

To agree the unrestricted minutes of the Human Resources Committee meeting held on 28 November 2024.

3. WORK PLAN (PAGES 9 - 16)

To review the Committee's work plan for the current municipal year.

4. REPORTS FOR CONSIDERATION

4.1 Employee Relations Casework Policy Update 23/24 Q2 (Pages 17 - 24)



4 .2 Update on Senior Recruitment (Pages 25 - 28)

4 .3 Update on Disciplinary Action Process for Statutory Officers (Pages 29 - 40)

4 .4 Pay Policy 2024/25 (Pages 41 - 58)

5. **ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT**

6. **EXCLUSION OF THE PRESS AND PUBLIC**

In view of the contents of the remaining items on the agenda the Committee is recommended to adopt the following motion:

“That, under the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act, 1972.”

EXEMPT SECTION (Pink Papers)

The exempt committee papers in the agenda will contain information, which is commercially, legally or personally sensitive and should not be divulged to third parties. If you do not wish to retain these papers after the meeting, please hand them to the Committee Officer present.

Contact for further enquiries:

Justina Bridgeman, Democratic Services,
justina.bridgeman@towerhamlets.gov.uk
020 7364 4854

<https://democracy.towerhamlets.gov.uk/>



Agenda Item 1

DECLARATIONS OF INTERESTS AT MEETINGS– NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Code of Conduct for Members at Part C, Section 31 of the Council's Constitution

(i) Disclosable Pecuniary Interests (DPI)

You have a DPI in any item of business on the agenda where it relates to the categories listed in **Appendix A** to this guidance. Please note that a DPI includes: (i) Your own relevant interests; (ii) Those of your spouse or civil partner; (iii) A person with whom the Member is living as husband/wife/civil partners. Other individuals, e.g. Children, siblings and flatmates do not need to be considered. Failure to disclose or register a DPI (within 28 days) is a criminal offence.

Members with a DPI, (unless granted a dispensation) must not seek to improperly influence the decision, must declare the nature of the interest and leave the meeting room (including the public gallery) during the consideration and decision on the item – unless exercising their right to address the Committee.

DPI Dispensations and Sensitive Interests. In certain circumstances, Members may make a request to the Monitoring Officer for a dispensation or for an interest to be treated as sensitive.

(ii) Non - DPI Interests that the Council has decided should be registered – (Non - DPIs)

You will have 'Non DPI Interest' in any item on the agenda, where it relates to (i) the offer of gifts or hospitality, (with an estimated value of at least £25) (ii) Council Appointments or nominations to bodies (iii) Membership of any body exercising a function of a public nature, a charitable purpose or aimed at influencing public opinion.

Members must declare the nature of the interest, but may stay in the meeting room and participate in the consideration of the matter and vote on it **unless:**

- A reasonable person would think that your interest is so significant that it would be likely to impair your judgement of the public interest. **If so, you must withdraw and take no part in the consideration or discussion of the matter.**

(iii) Declarations of Interests not included in the Register of Members' Interest.

Occasions may arise where a matter under consideration would, or would be likely to, **affect the wellbeing of you, your family, or close associate(s) more than it would anyone else living in the local area** but which is not required to be included in the Register of Members' Interests. In such matters, Members must consider the information set out in paragraph (ii) above regarding Non DPI - interests and apply the test, set out in this paragraph.

Guidance on Predetermination and Bias

Member's attention is drawn to the guidance on predetermination and bias, particularly the need to consider the merits of the case with an open mind, as set out in the Planning and Licensing Codes of Conduct, (Part C, Section 34 and 35 of the Constitution). For further advice on the possibility of bias or predetermination, you are advised to seek advice prior to the meeting.

Section 106 of the Local Government Finance Act, 1992 - Declarations which restrict Members in Council Tax arrears, for at least a two months from voting

In such circumstances the member may not vote on any reports and motions with respect to the matter.

Further Advice contact: Janet Fasan, Monitoring Officer, Tel: 0207 364 4800.

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

| Subject | Prescribed description |
|---|--|
| Employment, office, trade, profession or vacation | Any employment, office, trade, profession or vocation carried on for profit or gain. |
| Sponsorship | Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992. |
| Contracts | Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged. |
| Land | Any beneficial interest in land which is within the area of the relevant authority. |
| Licences | Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer. |
| Corporate tenancies | Any tenancy where (to the Member's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest. |
| Securities | Any beneficial interest in securities of a body where— (a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class. |

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE HUMAN RESOURCES COMMITTEE

HELD AT 6.34 P.M. ON TUESDAY, 28 NOVEMBER 2023

**COMMITTEE ROOM - TOWER HAMLETS TOWN HALL, 160 WHITECHAPEL
ROAD, LONDON E1 1BJ**

Members Present in Person:

| | |
|---------------------------|---|
| Councillor Maium Talukdar | -(Vice-Chair) |
| Councillor Kabir Ahmed | -(Cabinet Member for Regeneration, Inclusive Development and Housebuilding) |
| Councillor Saied Ahmed | -(Cabinet Member for Resources and the Cost of Living) |
| Councillor Abdal Ullah | |
| Councillor Iqbal Hossain | -(Substitute) |

Members In Attendance Virtually:

Councillor Sabina Khan

Officers Present in Person:

| | |
|-------------------|---|
| Pat Chen | - (Interim Director, Workforce, OD and Business Support Services) |
| Justina Bridgeman | -(Democratic Services Officer, Committees) |

Officers in Attendance Virtually:

| | |
|-----------------|---|
| Carole S. Bowes | -(Employment Lawyer, Legal Services, Directorate Law, Probity and Governance) |
|-----------------|---|

Apologies:

Councillor Ayas Miah

Councillor Bellal Uddin

1. DECLARATIONS OF INTERESTS

There were no declarations of pecuniary interests, however; Councillor Maium Talukdar disclosed that he is a member of the Appointment sub-committee and a senior recruitment panellist. Councillor Kabir Ahmed disclosed that he is a senior recruitment panellist. Councillor Abdal Ullah disclosed that he is a senior recruitment panellist. Councillor Iqbal Hossain disclosed that he is a member of the Appointment sub-committee and also a senior recruitment panellist. Councillor Saied Ahmed disclosed that he is a member of the Appeals Committee.

2. MINUTES

The minutes of the Committee meeting held on 14 September 2023 were approved and signed as a correct record of proceedings

3. WORK PLAN

RESOLVED:

1. That the work plan be noted.

4. REPORTS FOR CONSIDERATION

4.1 Employee Relations Casework Policy Update 23/24 Q2

Pat Chen, Interim Director of Workforce, OD and Business Support Services, gave the Committee an overview of the employee relations casework from 1 July 2023 to 30 September 2023.

Further to questions from the committee, Pat Chen;

- Clarified that the report includes the crossover period when the Place directorate was still in existence during July and August 2023. The next quarterly report will reflect the new structure.
- Confirmed action is being taken to resolve all customer service issues at the earliest opportunity. A mediation service has been implemented to de-escalate grievances and attendance management cases are being effectively resolved within frontline service areas.
- Explained that work is currently taking place to manage performance concerns more swiftly. The five cases are ones progressed to the formal stages.
- Noted that performance complaints differ, in that some relate to a service area, whilst others are individual performance issues. The data presented in this report relates to the latter.

RESOLVED that:

1. The report be noted.

4.2 Update on Senior Recruitment

Pat Chen, Interim Director, Workforce, OD and Business Support Services, introduced the report which provided the current senior recruitment positions to senior management vacancies and the interim arrangements in place.

Further to questions from the committee, Pat Chen;

- Confirmed that executive agencies chosen are required to ensure the candidates selected increase representation and reflect the community. An equalities breakdown with costs will be submitted to the committee for review at the next meeting.

Following the report, Committee members suggested officers consider widening the search for candidates with transferable skills from other industries, such as health or law to tackle diversity. Members also reiterated that staff within the organisation be encouraged to apply for senior posts.

RESOLVED that:

1. An equalities breakdown with costs to be submitted to the Committee for review at the next meeting.
2. The report on the current position on the recruitment to senior management vacancies be noted.

5. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

Pat Chen informed Committee members that Denise Radley, Corporate Director for Health and Adult Social Care, has been formally designated as the Deputy Chief Executive. The Committee congratulated Ms Radley on her appointment.

6. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

1. That in accordance with the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting on the grounds that the remaining agenda item contained information defined as exempt or confidential in Part 1 of Schedule 12A to the Local Government Act 1972.

7. EXEMPT MINUTES

There were no exempt minutes.

The meeting ended at 6.57 p.m.

Chair, Councillor Bellal Uddin

Human Resources Committee



HUMAN RESOURCES COMMITTEE WORK PLAN and ACTION LIST 2023/24

| | |
|------------------|--|
| Contact Officer: | Joel West Democratic Services |
| Email: | joel.west@towerhamlets.gov.uk |
| Telephone: | 020 7364 4207 |
| Website: | www.towerhamlets.gov.uk/committee |

HUMAN RESOURCES COMMITTEE WORK PLAN 2023/24

ACTIONS LIST

| Action number | Title | Action Owner | Originating Meeting/Item | Due Date / Comment |
|---------------|---|--|------------------------------------|--|
| 1. | Interim and Acting Up Arrangements | Musrat Zaman, Dir-Workforce, OD and Business Support | GPC February 2023 | From General Purposes Committee 22-23 work plan. To report on all interim and acting up arrangements in senior officer roles. |
| 2. | Establishment of Appointments Sub-Committee | Janet Fasan, Director of Legal & Monitoring Officer | Item 4.2 June 2023 | The Committee requested an additional line in the last paragraph within item 4.2 of the minutes to now read:- "Agree the terms of reference and procedure rules for the Employee Appeal Sub Committee for the remainder of the municipal year 2023/24 as set out in the tabled papers, subject to an additional clause to specify that the membership be politically balanced, based on proportionality and group leaders to appoint members to the committee". |
| 3. | Employee Relations Casework and Policy Quarterly Review | Pat Chen, Interim Director of Workforce, OD and Business Support | Item 4.1 September 2023 meeting | Full details of all stages of complaint resolution and grievance decisions including a trend line of numbers and a comparison of the previous quarter be submitted to the Committee. Due 28 November meeting |
| 4. | Update on Senior Recruitment | Pat Chen, Interim Director of Workforce, OD and Business Support | Item 4.2 November 2023 meeting | An equalities breakdown with costs to be submitted to the Committee for review at the next meeting. Due: 20 February 2024 meeting. |

HUMAN RESOURCES COMMITTEE WORK PLAN 2023/24

| Action number | Title | Action Owner | Originating Meeting/Item | Due Date / Comment |
|----------------------|--|--|-----------------------------------|--|
| 5. | Update on Disciplinary Action Process Against Statutory Officers | Pat Chen, Interim Director of Workforce, OD and Business Support | Email 06.02.24 from Mayors Office | Report to be submitted to the Committee for review at the next meeting. Due: 20 February 2024 meeting. |

N.B. once concluded - actions should remain on the list marked 'complete' for the remainder of the municipal year.

HUMAN RESOURCES COMMITTEE WORK PLAN 2023/24

~~12 JUNE 2023~~

| REPORT TITLE | BRIEF SUMMARY | LEAD OFFICER | OTHER CTTEE MEETINGS |
|---|--|--|-----------------------------|
| 1. Employee Relations Casework Policy Annual Report 22/23 | An update on the Employee Relations Casework Policy Annual Report | Musrat Zaman Director of Workforce, OD and Business Support | |
| 2. Annual Employee Relations Casework report Quarter 4 | An update on the Employee Relations Casework Policy Annual Report | Musrat Zaman Director of Workforce, OD and Business Support | |
| 3. Update on Senior Recruitment (including acting up and interim arrangements). | An update on Tower Hamlet Senior Recruitment | Musrat Zaman Director of Workforce, OD and Business Support | |
| 4. Annual administrative reports | Including noting terms of reference, membership and establishment of appointments sub committee. | Matthew Mannion, Head of Democratic Services | |

Page 12

HUMAN RESOURCES COMMITTEE WORK PLAN 2023/24

| 14 SEPTEMBER 2023 | | | |
|--|--|---|-----------------------------|
| REPORT TITLE | BRIEF SUMMARY | LEAD OFFICER | OTHER CTTEE MEETINGS |
| 1. Employee Relations Casework and Policy Quarterly Review | An update on the Employee Relations Casework Policy Quarterly Report | Musrat Zaman, Director of Workforce, OD and Business Support | |
| 2. Update on Senior Recruitment | An update on Tower Hamlet Senior Recruitment | Musrat Zaman, Director of Workforce, OD and Business Support | |

HUMAN RESOURCES COMMITTEE WORK PLAN 2023/24

| 28 NOVEMBER 2023 | | | |
|--|--|--|-----------------------------|
| REPORT TITLE | BRIEF SUMMARY | LEAD OFFICER | OTHER CTTEE MEETINGS |
| 1. Employee Relations Casework and Policy Quarterly Review | An update on the Employee Relations Casework Policy Quarterly Report | Pat Chen, Interim Director of Workforce, OD and Business Support | |
| 2. Update on senior recruitment | To note recruitment activity for senior officer posts. | Pat Chen, Interim Director of Workforce, OD and Business Support | |


HUMAN RESOURCES COMMITTEE WORK PLAN 2023/24

| 20 FEBRUARY 2024 | | | |
|---|---|---|-----------------------------|
| REPORT TITLE | BRIEF SUMMARY | LEAD OFFICER | OTHER CTTEE MEETINGS |
| 1. Update on senior recruitment | To note recruitment activity for senior officer posts. | Pat Chen, Interim Director of Workforce, OD and Business Support | |
| 2. Employee Relations Casework and Policy Quarterly Review | An update on the Employee Relations Casework Policy Quarterly Report | Pat Chen, Interim Director of Workforce, OD and Business Support | |

MEETING POSTPONED!
 Page 15

HUMAN RESOURCES COMMITTEE WORK PLAN 2023/24

| 07 MARCH 2024 | | | |
|---|---|--|-----------------------------|
| REPORT TITLE | BRIEF SUMMARY | LEAD OFFICER | OTHER CTTEE MEETINGS |
| 1. Update on senior recruitment | To note recruitment activity for senior officer posts. | Pat Chen, Interim Director of Workforce, OD and Business Support | |
| 2. Employee Relations Casework and Policy Quarterly Review | An update on the Employee Relations Casework Policy Quarterly Report | Pat Chen, Interim Director of Workforce, OD and Business Support | |
| 3. Update on Disciplinary Action Process Against Statutory Officers | An update on the Disciplinary Action Process Against Statutory Officers | Pat Chen, Interim Director of Workforce, OD and Business Support | |

| | |
|--|---|
| <p>Cover Report to:</p> <p>Human Resources Committee</p> <p>7th March 2024</p> |  <p>TOWER HAMLETS</p> |
| <p>Report of: Pat Chen, Interim Director of Workforce, OD and Business Support Services</p> | <p>Classification: Unrestricted</p> |
| <p>Quarterly report on Employee Relations Casework and Policy Update</p> | |

| | |
|-------------------------------|--------------------------|
| Originating Officer(s) | Gail Simpson, Head of HR |
| Wards affected | None |

Summary

The attached report is to update Human Resources Committee on the level and management of employee relations casework within the Council, highlighting progress made.

Recommendations:

The Human Resources Committee is recommended to:

1. Note the report.

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Employee Relations Quarterly Report on Casework and Policy Development

Q3 2023/24 (1 October 2023 to 31 December 2023)

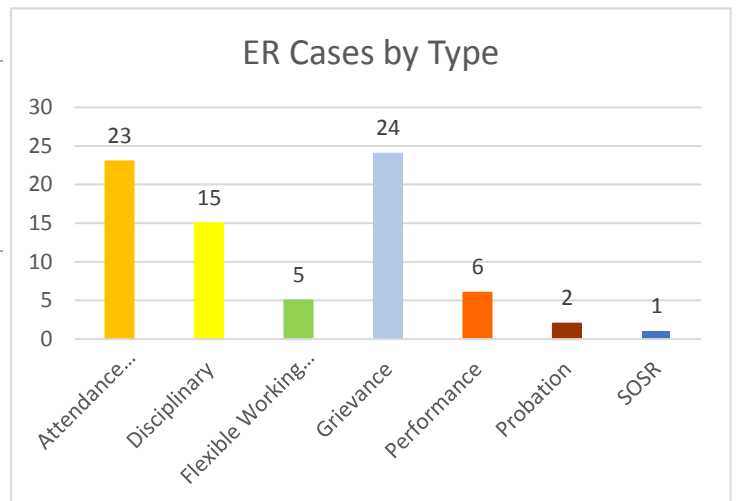
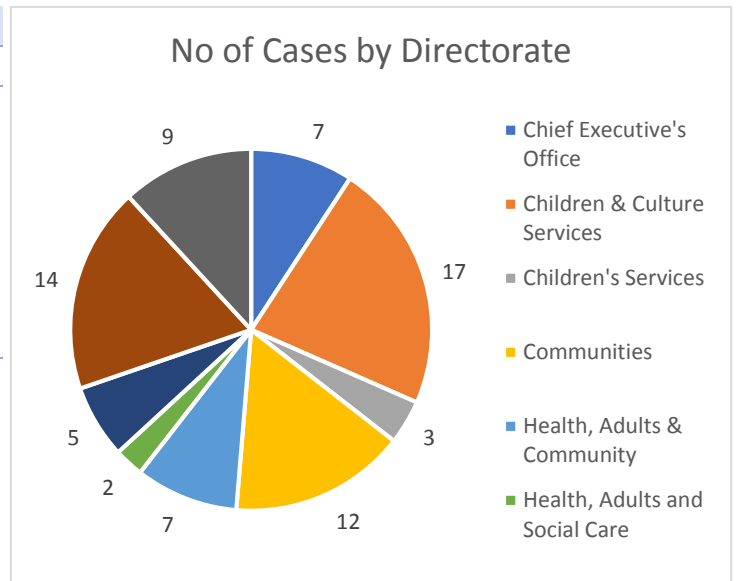
Contents

| | |
|---|---|
| Employee Relations | 3 |
| 1. Dashboard..... | 3 |
| 2. Summary of Key Quarter 3 Casework Data (1 Oct 23 to 31 Dec 23) | 5 |
| 3. Policy Development | 5 |

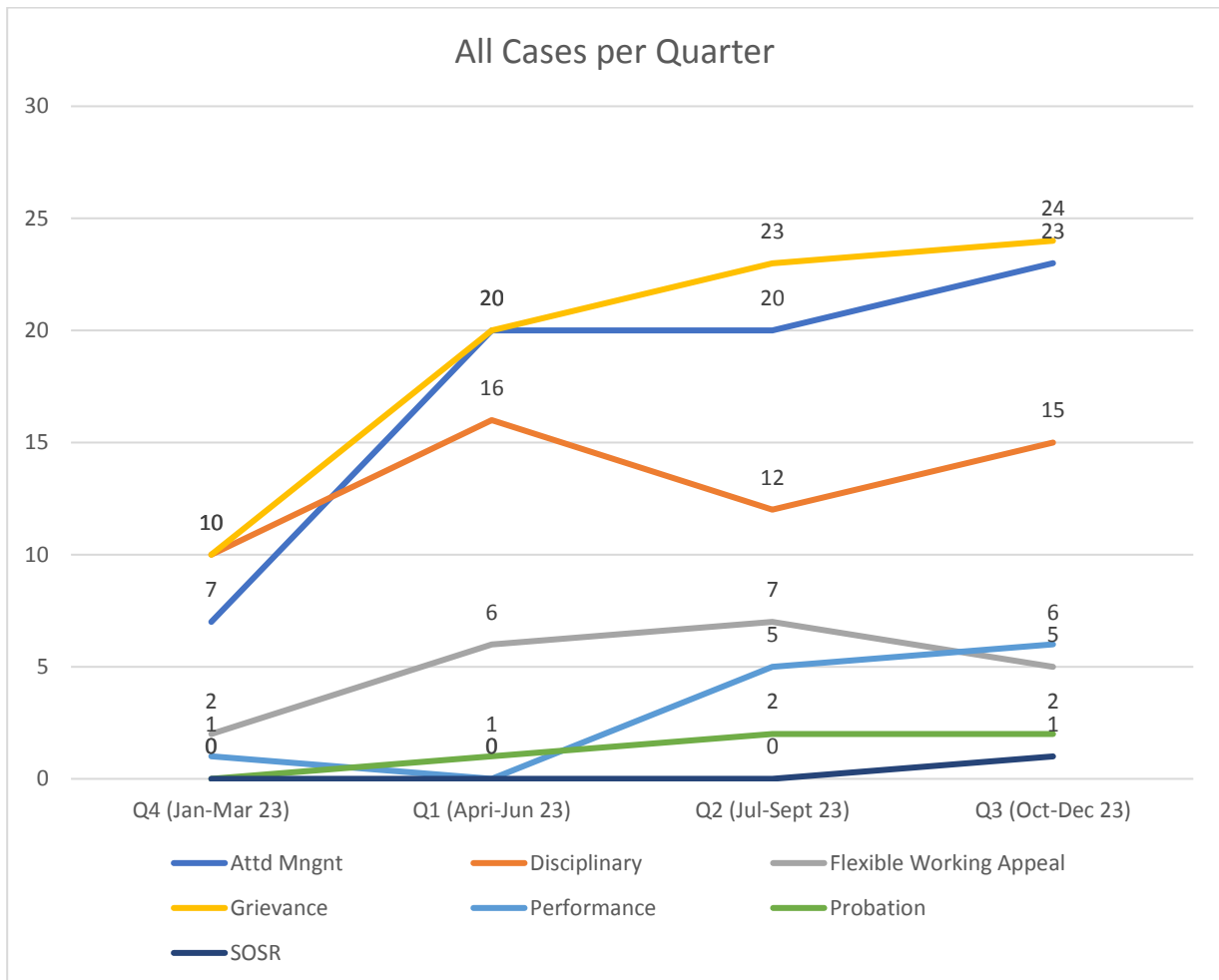
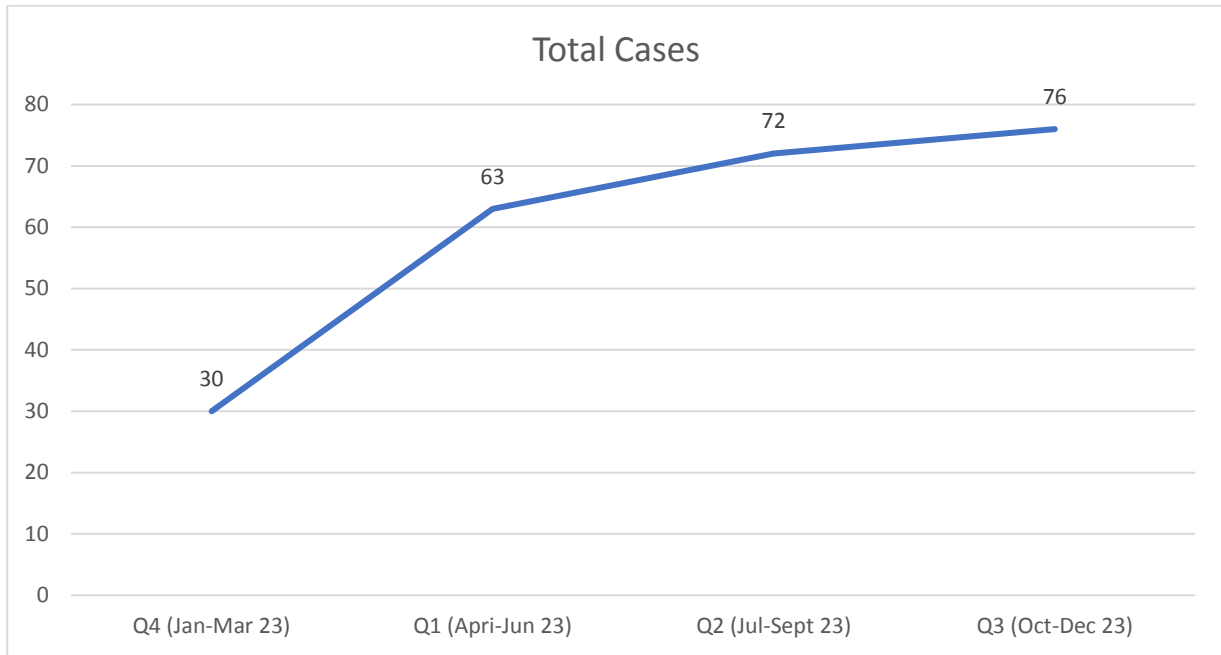
Employee Relations

1. Dashboard

| Cases by Directorate | No of Case Status |
|--------------------------------|-------------------|
| Attendance Management | 23 |
| Chief Executive's Office | 1 |
| Children & Culture Services | 7 |
| Communities | 5 |
| Housing and Regeneration | 1 |
| Place | 6 |
| Resources | 3 |
| Disciplinary | 15 |
| Chief Executive's Office | 3 |
| Children & Culture Services | 1 |
| Children's Services | 1 |
| Communities | 3 |
| Health, Adults & Community | 1 |
| Place | 3 |
| Resources | 3 |
| Flexible Working Appeal | 5 |
| Children & Culture Services | 3 |
| Health, Adults and Social Care | 1 |
| Housing and Regeneration | 1 |
| Grievance | 24 |
| Chief Executive's Office | 3 |
| Children & Culture Services | 5 |
| Children's Services | 1 |
| Communities | 3 |
| Health, Adults & Community | 4 |
| Housing and Regeneration | 1 |
| Place | 5 |
| Resources | 2 |
| Performance | 6 |
| Children & Culture Services | 1 |
| Health, Adults & Community | 2 |
| Health, Adults and Social Care | 1 |
| Housing and Regeneration | 1 |
| Resources | 1 |
| Probation | 2 |
| Children's Services | 1 |
| Housing and Regeneration | 1 |
| SOSR | 1 |
| Communities | 1 |
| Grand Total | 76 |



Employee Relations Quarterly Report on Casework and Policy Development




2. Summary of Key Quarter 3 Casework Data (1 Oct 23 to 31 Dec 23)

- 2.1. At the end of the period, 40 cases were open and 36 had been closed by 31st December 2023. There were 76 cases handled in total in this period (7 more than the total for quarter 2).
- 2.2. Looking overall at cases by type, attendance management and grievances were the highest (24 grievances and 23 attendance management). There were also 15 disciplinaries, 6 performance cases, 5 flexible working appeals, 2 probation cases and 1 SOSR (some other substantial reasons).
- 2.3. Of the 23 grievances (1 collective and 23 individual), 4 grievances relate to concerns about line managers, 15 relate to complaints about other colleagues, 2 relate to verbal abuse/inappropriate behaviour, 2 relate to terms and conditions, and 1 relates to sexual harassment. Of the 24 grievances, 16 were opened before Q3 (1 October 2023). **(8 opened in Q3)**
- 2.4. Of the 15 disciplinaries, 8 were alleged misconduct cases, 7 were gross misconduct cases. 7 cases were in Community (5 Public Realm, 2 Community Safety) and the rest spread across other Directorates. **13 disciplinaries** were still open at the end of the reporting period. **2 disciplinaries cases were closed.** Of those 2 closed there was 1 final written warning and 1 case was resolved informally.
- 2.5. The benchmark of 120 days is a reasonable and realistic timeframe for a council, where complex cases are the norm and thorough investigations undertaken by independent in-house investigators are time consuming. 36 cases were closed in this period, and the average length of time to resolve the cases was 221 calendar days.
- 2.6. 3 cases involved suspension, related to potential gross misconduct.
- 2.7. In addition to support for formal cases the HR team also deal with informal queries that come through the corporate in boxes and many cases are handled informally with the guidance of HR.
- 2.8. For this period, there were 24 live ET cases. The legal department report on this separately.
- 2.9. Equalities data is reported annually.

3. Policy Development

- 3.1. The Flexible Working Policy and a new Council policy on Filming Staff at Work is currently under review and in consultation with the Trade Unions.

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| | |
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| Non-Executive Report of the: Human Resources Committee 7 March 2024 |  |
| Report of: Director of Director of Workforce, OD & Business Support | Classification: Unrestricted |
| Update on Senior Recruitment | |

| | |
|-------------------------------|---|
| Originating Officer(s) | Pat Chen, Acting Director of Workforce, OD & Business Support |
| Wards affected | None |

Special Circumstances Justifying Urgent Consideration

This report was not available for publication alongside the rest of the agenda due to waiting for confirmation of appointments and announcements about postholders leaving the council. The report should be considered at this meeting because it is important to ensure that appointments and progress to senior posts are reported. date.

Executive Summary

This report updates Members on recruitment to senior posts.

Recommendations:

The Human Resources Committee is recommended to:

- a) Note the current position on the recruitment to senior management vacancies and any interim arrangements in place.
- b) Agree the amendments to the Appointment Sub Committee procedures.

1. REASONS FOR THE DECISIONS

- 1.1 The Human Resources Committee has responsibility for the appointment to Chief/Deputy Chief Officer posts. It is usual practice for the Committee to establish Appointment Sub-Committees to fulfil the recruitment process and to receive regular progress reports.
- 1.2 Section 5.2 of the Officer Employment Procedure Rules states the engagement of Chief Officers, to permanent positions or interim positions of over six

months, will be through the normal recruitment process overseen by the Human Resources Committee.

2. DETAILS OF THE REPORT

2.1 Background

Human Resources Committee received an update in November 2023. This report sets out the current status of recruitment to vacant senior roles in the corporate structure. It also

2.2 Senior Management vacancies and progress of recruitment

The detail of the progress on the recruitment to senior roles is set out in the table below. This also includes any interim arrangements.

| Job title | Current arrangements | Comments |
|--|--|--|
| Corporate Director Health & Adult Social Care & Deputy Chief Executive | Denise Radley has resigned. Date of leaving to be confirmed as she will remain in post until an appointment is made. | Post to be advertised March 24. |
| Corporate Director Housing and Regeneration | Interim cover arrangements in place – Paul Patterson | Final interviews held on 14/12/23. No permanent appointment made. Will be readvertised May/June 24. |
| Corporate Director Communities | Simon Baxter appointed and started on 8 January 2024 | Permanent postholder now in place |
| Corporate Director Children's Services (DCS) | Interim cover arrangements in place – Stephen Reddy | Final interviews held on 27/11/23. No permanent appointment made. Will be readvertised March 24. |
| Director of Finance (Deputy S 151) | Abdulrazak Kassim started on 2 January 2024 | Permanent postholder now in place |
| Director Public Realm | Interim cover arrangements in place – Ashraf Ali | Final interview 18/12/23. Appointment offered but candidate subsequently withdrew. Will be readvertised May/June 24. |

| | | |
|--|--|---|
| Director Planning & Building Control | Interim cover arrangements in place – David Williams | Final interviews 16/1/24. Recruitment checks in progress. Start date TBC. |
| Director Culture | Interim cover arrangements in place – Raj Mistry | Final interviews 8/1/24. Jahur Ali starting on 1 April 2024. |
| Director Commissioning and Youth | Interim cover arrangements in place – Layla Richards | Final interviews 6/2/24. Recruitment checks in progress. |
| Director Property and Major Programmes | Interim cover arrangements in place – Kamran Rashid | Post and structure being reviewed |
| Director Growth and Economic Delivery | Interim cover arrangements in place – Ellie Kershaw | Post and structure being reviewed |
| Director Customer Services | Interim cover arrangements in place – Leah Sykes | Post and structure being reviewed |
| Director Strategy Improvement & Transformation | Interim cover arrangements in place – Robin Beattie | Post and structure being reviewed |
| Director of Workforce, OD & Business Support | Interim cover arrangements in place – Pat Chen | Post and structure being reviewed |
| Director of IT | Interim cover arrangements in place – Hemanth Shanthigrama | Post and structure being reviewed |

3. EQUALITIES IMPLICATIONS

- 3.1 The Council is committed to equalities and such considerations will be part of the recruitment process and informs the procurement process. All posts are recruited to on merit. Recruitment to the vacancies will be carried out in accordance with the Council's procedures.

4. OTHER STATUTORY IMPLICATIONS

- 4.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are

required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management, • Crime Reduction,
- Safeguarding.

4.2 Recruitment to the senior management structure enables the Council to deliver excellent services for residents and deliver the associated financial saving.

4.3 Risks associated with recruitment will be mitigated by the engagement of specialised recruitment adviser(s) to work with us on the identification of suitable candidates.

4.4 The roles are all member appointments and an Appointments Sub-Committee has been set up for each role. Some roles may also involve wider engagement of members, external stakeholders, and internal staff during the selection process.

4.5 There are no other specific implications arising from this report.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

5.1 The posts are part of the agreed core management team structure and sufficient base budget funding will be set aside to meet the cost associated with these posts.

6. COMMENTS OF LEGAL SERVICES

6.1 This report provides an update on Chief Officer recruitment activity and there are no legal implications in relation to this.

Linked Reports, Appendices and Background Documents

Linked Report


- none

Appendices

- none

Officer contact details for documents:

- Pat Chen – pat.chen@towerhamlets.gov.uk

| | |
|--|---|
| Non-Executive Report of the: Human Resources Committee 7 March 2024 |  TOWER HAMLETS |
| Report of Pat Chen, Acting Director of Workforce, OD and Business Support | Classification: Unrestricted |
| Disciplinary Procedure for Statutory Officers | |

| | |
|-------------------------------|-----------|
| Originating Officer(s) | Pat Chen |
| Wards affected | All Wards |

Special Circumstances Justifying Urgent Consideration

This report was not available for publication alongside the rest of the agenda due to the length of time required to consult with relevant stakeholders. The report should be considered at this meeting because it is important to make sure that Council procedures are up to date. There are also no alternatives to consider as the Council needs to ensure procedures match up with agreed national arrangements.

Executive Summary

This report sets out the new procedures that need to be followed in relation to the disciplinary procedure for the Council’s three Statutory Officers following the introduction of the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 and the Model Disciplinary Procedure for Chief Executives agreed by the JNC for Chief Executives of Local Authorities as updated in September 2022.

Recommendations

The Human Resources Committee is recommended to:

1. Agree the new procedures as set out in Appendix 1 to this report.
2. Delegate to the Director of Workforce, OD and Business Support in consultation with the Chair of the Investigation and Disciplinary Sub Committee the power to suspend a Relevant Officer in cases of urgency.
3. Agree that a report be presented to Council setting out consequent amendments to the Constitution to address the changes agreed in Recommendations 1 and 2.
4. Agree that the Director of Workforce, OD and Business Support is delegated authority to make minor non-material changes to the procedures set out in Appendix 1, following consultation with the Chair of the Human Resources Committee before the final version is presented to Council for agreement.

1. REASONS FOR THE DECISIONS

- 1.1 The current procedures are out of date and do not reflect the statutory provisions and the JNC Model Disciplinary Procedures

2. ALTERNATIVE OPTIONS

- 2.1 There are no alternative options as this is a statutory requirement.

3. DETAILS OF THE REPORT

3.1 Background

3.1.1 Every Council is required to appoint a Head of Paid Service, a Monitoring Officer, and a Chief Finance (Section 151) Officer. (Relevant Officers). Each of these posts carries specific statutory responsibilities. As these post holders operate in a sensitive environment, Councils have been required to follow special procedures to investigate disciplinary matters regarding officers holding these positions.

3.1.2 Prior to the 2015 Regulations, procedures were governed by statutory Designated Independent Person (DIP) provisions. The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 replaced the statutory DIP provisions with an Independent Panel process.

3.1.3 The Chief Executives' Conditions of Service Handbook (the Handbook) was updated to reflect the changes made to the regulations in which a revised (disciplinary) model procedure was set out. The Chief Officers' handbook was originally, published in August 2017, and was further updated in September 2022 to reflect the changes made by the regulations, and refers officers to the model set out in the Chief Executive's handbook as a reference guide for the dismissal process.

3.2 Main Changes

The 2015 Regulations amended the dismissal process for the Relevant Officers by removing the requirements for a Council to appoint a Designated Independent Person and act in accordance with any recommendations made by them. The new regulations provide that a Council must appoint an Independent Panel (the Panel) made up of a minimum of two independent persons (IPs) appointed under section 28 of the Localism Act 2011 (in relation to standards complaints against members), whose advice, views and recommendations should be considered before any decision by the Council to dismiss a Relevant Officer can be made.

3.3 Disciplinary Procedure for Relevant Officers

After consideration of the model set out in the Chief Executives' Handbook, we have adapted the model to be applied to all Relevant Officers of the Council. The resulting procedure clarifies which Committees and Officers would be responsible at the various stages and are set out in Appendix 1.

Human Resources Committee is recommended to approve the draft procedure attached at Appendix 1. The key Committees/Panels are:

3.3.1 The Investigating and Disciplinary Committee

The Investigating and Disciplinary Committee of the Council will be a sub-committee of the Human Resources Committee established to deal with formal disciplinary matters in respect of the Relevant Officers. The Investigating and Disciplinary Sub Committee (IDSC) will be a standing Committee of the Council.

3.3.2 Disciplinary Appeal Sub Committee

The Sub Committee is a requirement of the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015). The Sub Committee's duties relate to hearing appeals against decisions by the IDSC in relation to the Relevant Officer

3.3.3 The Independent Panel

The Independent Panel must be appointed at least 20 days before the Council meeting at which dismissal is considered.

3.3.4 Delegation of Powers to Suspend

Ordinarily the Investigating and Disciplinary Sub-Committee (IDSC) of the Human Resources Committee will consider whether it is appropriate to suspend a Relevant Officer. The Chief Executive's Handbook however recommends that an officer should hold the delegated power to suspend a Relevant Officer in an emergency. It is recommended that the Director, Workforce, OD and Business Support be given that delegated authority in consultation with the Chair of the IDSC.

3.4 **Constitution**

Should the above proposed changes be agreed, these will require amendments to be made to the Constitution. The General Purposes Committee is often asked to agree consequent Constitutional changes but given that these changes relate to the three Statutory Officers it is proposed that a report is instead presented to Council to agree those changes.

4. **EQUALITIES IMPLICATIONS**

4.1 All relevant Officers must be treated fairly under these procedures irrespective of any protected characteristics.

5. **OTHER STATUTORY IMPLICATIONS**

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are

required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

5.2 None specific to the statutory implications listed above. The Council must maintain up-to-date and effective procedures in relation to Statutory Officer Employment Arrangements.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 There are no financial implications from this specific report.

7. COMMENTS OF LEGAL SERVICES

7.1 There are no direct legal implications arising from this report which proposes the required statutory changes to the disciplinary process except for a failure to agree the new procedure may have contractual implications for any affected chief officer if action is taken against them using the obsolete, non-statutory process currently in place which could leave the Council at risk of a claim for breach of contract.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 – Disciplinary Procedure for Statutory Officers - Head of Paid Service (Chief Executive), Monitoring Officer (Head of Legal Services) and the Section 151 Officer (Chief Finance Officer).

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- JNC for Chief Executives Model Disciplinary Procedure

Officer contact details for documents:

Pat Chen, Acting Director of Workforce, OD and Business Support

London Borough of Tower Hamlets

Disciplinary Procedure for Statutory Officers

- **Head of Paid Service (Chief Executive)**
- **Monitoring Officer (Director of Legal Services)**
- **Section 151 Officer (Chief Finance Officer)**

| | |
|-----------------|---|
| Policy Name: | Disciplinary Procedure for Statutory Officers |
| Policy Owner: | Workforce and Organisational Development |
| Implementation: | 2024 |
| Latest review: | 2024 |
| Next review: | As required |



Contents

| | |
|---|---|
| 1. Background..... | 3 |
| 2. Informal Resolution | 3 |
| 3. The Investigating and Disciplinary Sub-Committee | 3 |
| 3.1 Composition..... | 3 |
| 3.2 Quorum..... | 3 |
| 3.3 Terms of Reference | 3 |
| 4. Disciplinary Appeals Sub Committee | 5 |
| 4.1 Composition..... | 5 |
| 4.2 Quorum..... | 6 |
| 4.3 Terms of Reference | 6 |
| 5. The Independent Panel..... | 6 |
| 5.1 Terms of Reference | 6 |
| 6. Full Council..... | 7 |

1. Background

The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 made changes to the matters relating to the dismissal of the three statutory officers, the Head of Paid Service, Monitoring Officer and Section 151 Officer. This disciplinary procedure is based on that set out in the Joint Negotiating Committee for Local Authority Chief Executives National Salary Framework and Conditions of Service Handbook (the JNC Handbook) as updated in September 2022. It applies to Tower Hamlets' (the Council) Chief Executive, Monitoring Officer and Chief Finance Officer (the Relevant Officers).

2. Informal Resolution

In accordance with the procedure in the JNC Handbook the Council and the Relevant Officer will seek an informal resolution before formal disciplinary proceedings are commenced. The Director of Workforce, OD and Business Support will be responsible for seeking an informal resolution with the Relevant Officer. If informal resolution is not possible, the complaint/allegation will be referred to an Investigating and Disciplinary Sub-Committee (IDSC). All the posts in this section (2.1) are collectively referred to as Chief Officer in accordance with the Localism Act 2011 and the Local Government and Housing Act 1989.

3. The Investigating and Disciplinary Sub-Committee

The Investigating and Disciplinary Sub-Committee of the Council will be a sub-committee of the Human Resources Committee established to deal with formal disciplinary matters in respect of the Relevant Officers.

3.1 Composition

The Investigating and Disciplinary Sub Committee shall comprise of five members of the Council as follows:

- Chair of the Human Resources Committee
- One Member of the Executive (nominated by the Mayor but who is not the Mayor)
- Three other Members appointed by the Leaders of the Political Groups on the Council from all Councillors within their Groups such that the overall composition of the Sub-Committee shall be politically balanced.

All members will have appropriate training before they can be part of the IDSC.

3.2 Quorum

The quorum of the IDSC shall be three members.

3.3 Terms of Reference

3.3.1 To consider any allegations made against the Relevant Officer.

3.3.2 To consider the responses from the Relevant Officer in relation to the allegations and determine the following outcomes:

- that no further action is required;
- that there is some minor fault or error on behalf of the Relevant Officer, but the matter can be resolved with an informal un-recorded warning;
- that there are grounds for an independent disciplinary investigation to be conducted.

3.3.3 If the IDSC determines that an independent disciplinary investigation should be conducted it will:

- 3.3.3.1 appoint an Independent Investigator from the list provided by the Joint Secretaries of the Joint Negotiating Committee for Chief Executives of Local Authorities;
 - 3.3.3.2 determine the scope of, and set out the terms of reference for the investigation to be conducted by the Independent Investigator;
 - 3.3.3.3 determine whether the Relevant Officer should be suspended, subject to cases of urgency where the Director of Workforce, OD and Business Support following consultation with the Chair of the IDSC will have the power to suspend;
 - 3.3.3.4 review the continuance of the suspension of the Relevant Officer should it exceed 2 months;
 - 3.3.3.5 receive the report and consider any recommendations of the Independent Investigator;
 - 3.3.3.6 convene a hearing at which the report and any recommendations of the Independent Investigator are considered in accordance with the ACAS Code of Practice;
 - 3.3.3.7 ensure that the Independent Investigator and the Relevant Officer are able to attend the meeting and are provided with an opportunity to submit evidence, call and question witnesses and summarise their case;
- 3.3.4 Following consideration of the Independent Investigator's report, representations from the Independent Investigator, the Relevant Officer, relevant witnesses the IDSC will determine either:
- that there is no case to answer
 - that disciplinary action short of dismissal should be taken against the statutory post holder by the IDSC
 - a recommendation to dismiss the Relevant Officer
- 3.3.5 If the IDSC proposes to recommend dismissal it will:
- 3.3.5.1 notify the Mayor and the Executive that it is proposing to dismiss the Relevant Officer and ask if there are any objections to the proposal.

- 3.3.5.2 consider any objections and satisfy itself as to whether any of the objections are both material and well founded. If they are, the IDSC will consider the impact of the executive objections and commission further investigation and reports by the Independent Investigator if these are required.
- 3.3.5.3 notify the Relevant Officer if there are no material or well-founded objections to the proposal to dismiss and that the recommendation will be considered by an Independent Panel along with the Independent Investigator's report and any oral or written representation from the Relevant Officer.
- 3.3.5.4 consider subsequent advice, views and/or recommendations given by the Independent Panel
- 3.3.5.5 make a recommendation to full Council that the Relevant Officer be dismissed, which takes into consideration and includes the views of the Independent Panel, the conclusions of the investigation and any representations from the Relevant Officer
- 3.3.6 Where the IDSC has made a recommendation to Council to dismiss, a meeting of Full Council will review all available evidence and all views/recommendations expressed and consider oral and/or written submissions by the IDSC before reaching a final decision. The representations made by the Relevant Officer to Council constitute the appeal process.
- 3.3.7 Where the IDSC has made a recommendation for disciplinary action short of dismissal, the Relevant Officer may appeal to the Disciplinary Appeals Sub Committee.

4. Disciplinary Appeals Sub Committee

The Sub Committee is a requirement of the Local Authorities (Standing Orders) (England) Regulations 2001 (as amended by the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015). The Sub Committee's duties relate to hearing appeals against decisions by the IDSC in relation to the Relevant Officer.

4.1 Composition

- 4.1.1 The Disciplinary Appeal Sub Committee shall comprise of five members, as follows:
- Vice-Chair of the Human Resources Committee (Chair)
 - One Member of the Executive (nominated by the Mayor but who is not the Mayor)
 - Three other Members appointed by the Leaders of the Political Groups on the Council from within their Groups such that the overall composition of the Sub-Committee shall be politically balanced.
- 4.1.2 Members of the Disciplinary Appeal Sub Committee may not be members of the IDSC.

4.2 Quorum

The quorum of the DASC shall be three members.

4.3 Terms of Reference

4.3.1 To receive and consider appeals made by the Relevant Officer following a decision by the IDSC to recommend that disciplinary action other than dismissal is taken against the Relevant Officer.

4.3.2 The Appeals Sub Committee will:

4.3.2.1 consider the report of the Independent Investigator and any other relevant information considered by the IDSC;

4.3.2.2 conduct any further investigation the Sub Committee considers necessary to reach a decision;

4.3.2.3 permit the Relevant Officer to appear at the meeting and state their case;

4.3.2.4 consider newly available relevant information and the outcome of any further investigation, noting that there is no further appeal stage beyond the considerations of this Sub Committee;

4.3.2.5 determine if the appeal should be upheld or dismissed;

4.3.2.6 inform the Relevant Officer, if an appeal is dismissed, that there is no further appeal, that the decision of the IDSC stands and the matter is regarded as being concluded;

4.3.2.7 report back to the IDSC when an appeal is upheld, advising of the reasons for this decision.

5. The Independent Panel

The Independent Panel should comprise of independent persons (at least two in number) who have been appointed by the council, or by another council, for the purposes of the council members' conduct regime under section 28(7) of the Localism Act 2011.

The Independent Panel must be appointed at least 20 days before the Council meeting at which dismissal is considered.

5.1 Terms of Reference

5.1.1 Where the IDSC is recommending dismissal, this recommendation will be considered by the Independent Panel.

5.1.2 This is not a full re-hearing of the case and will not involve the calling of witnesses.

5.1.3 Both parties should be present or represented (the IDSC might be represented by the Chair or other nominated person) at the Panel meeting. The Panel should hear the reasons for the IDSC's recommendation and also receive any

oral representations from the Relevant Officer. It may ask questions of either party.

- 5.1.4 The Independent Panel should review the IDSC's recommendation for dismissal and prepare a report for Council. This report should contain a clear rationale if the Panel disagrees with the recommendation to dismiss.

6. Full Council

- 6.1 Where there is a proposal to dismiss the Relevant Officer, the council must approve the dismissal before notice of dismissal is issued. The Council must therefore consider the proposal from the IDSC and reach a decision before the Relevant Officer can be dismissed.
- 6.2 The Council will consider the recommendation that the Relevant Officer should be dismissed, and must take into account:
- Any advice, views or recommendations of the Independent Panel
 - The conclusions of the investigations into the proposed dismissal
 - Any representations from the Relevant Officer
- 6.3 Where the Independent Panel does not endorse the recommendation of the IDSC, the Chair of the Independent Panel should be invited to attend and present the report of the Panel and to answer questions.
- 6.4 The Relevant Officer will have the opportunity to appear before the council and put their case to the council before a decision is taken.

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| Non-Executive Report of the: Human Resources Committee 7 March 2024 |  TOWER HAMLETS |
| Report of: Julie Lorraine, Corporate Director Resources | Classification: Part Exempt (Appendix 2) |
| Localism Act 2011 – Pay Policy Statement 2024/25 | |

| | |
|-------------------------------|---|
| Originating Officer(s) | Pat Chen, Acting Director of Workforce, OD and Business Support |
| Wards affected | All Wards |

Special Circumstances Justifying Urgent Consideration

This report was not available at the time of publication because it took longer to prepare than anticipated. The report cannot wait for the next scheduled Committee meeting because it is a requirement to take it to Council on 20th March for agreement and this is therefore the last available date for the Committee to consider its contents.

Executive Summary

Under Section 38(1) of the Localism Act 2011, the Full Council is required to adopt a pay policy statement for each financial year.

A statement for 2024/25 (draft attached as Appendix 1) should be approved and adopted by 31 March 2024 to enable it to be published as soon as is practical in the new financial year.

The [Local Government Transparency Code 2015](#) includes guidance on the calculation of the pay multiple, which forms part of the pay policy statement. On 12 May 2022, the Secretary of State issued new statutory guidance on the making and disclosure of Special Severance Payments (SSP) by local authorities. Amendments were made to the pay policy statement for 2022/23 to reflect this new guidance. No further supplementary guidance has been published in relation to the 2024/25 pay policy statement.

Should guidance or an updated Code be published after the 2024/25 pay policy has been considered by the Human Resources (HR) Committee and/or Full Council, which requires minor amendments, it is proposed that HR Committee delegate the authority to make minor amendments to the Chief Executive following consultation with the Director of Workforce, OD and Business Support, Chair of the Human Resources Committee and Monitoring Officer. Should any fundamental changes be required, the pay policy statement will be sent back to the HR Committee for further consideration.

The 2024/25 proposed pay policy statement should be approved and adopted by 31 March 2024 to enable it to be published as soon as is practical in the new financial year.

The pay policy statement sets out the council's current policies and practice in relation to pay for all parts of the Council's directly employed workforce (including some elements that cover agency workers), with the exception of school-based employees. Any changes to the way in which staff are remunerated would need to be dealt with as outlined in section 5 – Legal comments.

Recommendations:

The HR Committee is recommended to:

1. Consider the draft 2024/25 pay policy statement, proposing any changes and, subject to such changes, recommend policy for adoption by Full Council on 20 March 2024.
2. Delegate to the Chief Executive, in consultation with the Director of Workforce, OD and Business Support, Chair of the HR Committee and Monitoring Officer, any minor changes to the 2024/25 pay policy statement.

1. REASONS FOR THE DECISIONS

- 1.1 The Localism Act 2011 received Royal Assent on 15 November 2011. Additionally, the 'Code of Recommended Practice for Local Authorities on Data Transparency' was published in September 2011, under Section 2 of the Local Government, Planning and Land Act 1980. The Act's intention is to bring together the strands of increasing accountability, transparency and fairness, with regards to pay. The Code sets out key principles for local authorities in creating greater transparency through the publication of data. Supplementary guidance, 'Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act', was published on 20 February 2013. Further statutory guidance 'Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England' was published on 12 May 2022.
- 1.2 The provisions of the legislation required Local Authorities to adopt and publish a pay policy statement for 2011/12 and then for each subsequent financial year. Statements must be approved by Full Council and have regard to the guidance published by the Secretary of State. Authorities will be constrained by their policy statement when making determination on senior officer pay, although the statement may be amended at any time by further resolution of Full Council.

2. ALTERNATIVE OPTIONS

- 2.1 As the publication of a pay policy statement and the nature of its content is a legislative requirement, there are no alternative options.

3. DETAILS OF THE REPORT

- 3.1 The pay policy statement must set out the authority's policies for the financial year relating to remuneration of its officers. It must include:
- A policy on the level and elements of remuneration for each Chief Officer
 - A policy on the remuneration of lowest paid employees (together with a definition of 'lowest paid employees' and reasons for adopting that definition)
 - A policy on the relationship between the remuneration of chief officers and the remainder of the workforce
 - A policy on other specific aspects of chief officers' remuneration (remuneration on recruitment, increases and additions to remuneration, use of PRP and bonuses, and the approach to termination payments).
- 3.2 Additionally, the council must have regard to other statutory guidance or recommendations, e.g., relating to pay multiples, it should be noted that, the statutory guidance emphasises that each LA has the autonomy to take its own decisions on pay and pay policies.
- 3.3 The draft 2024/25 pay policy statement considers Local Government Association (LGA)/Association of Local Authority Chief Executives (ALACE) guidance issued to local authority Chief Executives 'Localism Act: Pay Policy Statement Guidance for Local Authority Chief Executives'. The statement details the council's current arrangements; using the definitions contained in the Act and associated guidance. The pay policy statement should also set out the council's position in relation to appointments to posts with salary packages over £100,000 and redundancy packages over the same amount.
- 3.4 The Localism Act requires pay policy statements to give information regarding the pay of 'Chief Officers' and 'Deputy Chief Officers'. For Tower Hamlets' purposes 'Chief Officers' are the Chief Executive, Corporate Directors and the Monitoring Officer and S151 Officer. 'Deputy Chief Officers' are anyone reporting directly to a 'Chief Officer'; Directors fall into this category. The statutory definitions exclude anyone who may fall into these categories who undertake a predominantly administrative or PA support type role to 'Chief Officers' and 'Deputy Chief Officers'.
- 3.5 The draft 2024/25 pay policy statement refers to information already published by the council in relation to senior salary data, to meet with the requirements of the Government's transparency agenda. In addition, the Local Government Transparency Code 2015, also covers the way in which the pay multiple included in the pay policy should be calculated.

Pay multiple

- 3.6 There is a requirement to publish a ratio or pay multiple. There are a variety of ways to approach this and the Hutton Review of Fair Pay in the Public Sector (2011) supported the publication of the ratio of the council's highest paid

employee (the Chief Executive) to that of its median earner (i.e., the midpoint between the highest and lowest salaries). The Local Government Transparency Code 2015, states that the pay multiple is defined as the ratio between the highest paid taxable earnings for the given year (including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind) and the median earnings figure of the whole of the authority's workforce. This multiple is quoted in the draft 2024/25 pay policy statement. The ratio last year was 1:5.58 and this year has reduced to 1:4.77, showing in general terms a more equitable distribution of pay across the organisation.

- 3.7 Since the 2014/15 pay policy statement, an additional ratio demonstrating the relationship between the council's highest paid employee (total salary package) and the lowest salary of the non-schools workforce is included. This allows greater comparison with other boroughs that provide this ratio. This ratio last year was 1:10.47 and, again, has reduced to 1:8.67 this year, which supports the conclusion that pay distribution is becoming more equitable in Tower Hamlets.
- 3.8 For clarity, apprentices and schools' staff are not included in the pay multiple calculations, though posts that are designated as apprenticeships are. Apprentices are excluded due to the fact the multiples apply to employees only. Schools must publish their own pay policy, which is different to the Council's policy, and therefore their staff would be covered by these. The Pay Policy is clear that the pay multiples only apply to the non-schools workforce.

London Living Wage

- 3.9 The council is an accredited Living Wage Employer. This means that we adhere to the Living Wage Foundations accreditation statement, which states that "Employees based in London Boroughs (shall be paid) not less than the London Living Wage; and increase the amount which it pays to affected employees by the same amount as any increase to the London Living Wage, within 6 months of the date on which any increase in the London Living Wage is officially announced."
- 3.10 The London Living Wage (LLW) increases annually; the latest rise was announced in November 2023 and will be implemented in April 2024. The LLW rate increased from £11.95 per hour to £13.15 per hour.
- 3.11 The lowest paid staff in the council are currently paid on spinal column point 2, which equates to £27,306 per annum or £14.96 per hour, which is already above the new LLW rate of £13.15 per hour. The national NJC annual pay award for 2024//24 is still pending.

Changes to the Pay Policy

- 3.12 The changes to the Pay Policy 2024/25 are in section 3 (revisions to the evaluation of senior officer pay) and section 13 (updated pay ratios)

4. EQUALITIES IMPLICATIONS

- 4.1 The statement describes existing policies and practice rather than proposing new ones. Should there be amendments, further advice on the impact will be given.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

- 5.2 This report sets out the council's pay policy for 2024/25, which is required by law. It ensures that employees receive an appropriate salary for the work they undertake and that the council's approach to pay is set out clearly.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The costs of meeting the Council's Pay Policy will need to be contained within the assumed total staffing budget agreed through the Annual Budget and MTFS process. The annual Employees budget for General Fund areas is circa £286m.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The main legal considerations regarding the pay policy requirements are set out in the body of the report.
- 7.2 The statements attached to this report are compliant with the relevant provisions (S.38 and 39) of the Localism act 2011.
-

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 – Draft Pay Policy Statement 2023/24
- Appendix 2 - Redundancy/severance packages over £100,000 – exempt from publication.

Appendix 2 is restricted through Paragraphs 1 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as it contains information relating to an individual and the financial affairs of that individual.

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- Localism Act 2011 LGA / ALACE - ‘Localism Act: Pay Policy Statement Guidance for Local Authority Chief Executives’
- DCLG - Openness and Accountability in Local Pay: guidance under section 40 of the Localism Act
- DCLG - ‘Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011’ Supplementary Guidance
- Communities and Local Government - The Code of Recommended Practice for Local Authorities on Data Transparency
- DLUHC - Statutory guidance on the making and disclosure of Special Severance Payments by Local Authorities

Officer contact details for documents:

Pat Chen, Acting Director of Workforce, OD and Business Support

London Borough of Tower Hamlets

Pay Policy Statement 2024-2025

| | |
|-----------------|--|
| Policy Name: | Pay Policy Statement 2023-2024 |
| Policy Owner: | Workforce and Organisational Development |
| Implementation: | 2015 |
| Latest review: | 2024 |
| Next review: | 2025 |



Contents

| | |
|--|----|
| 1. Introduction | 3 |
| 2. Definitions | 3 |
| 3. Pay and grading structure | 4 |
| 4. Head of Paid Service, Statutory Chief Officer, Non- Statutory Chief Officer and Deputy Chief Officer remuneration | 5 |
| 5. Salary packages..... | 5 |
| 6. Lowest paid employees (excluding Schools based staff) | 5 |
| 7. National pay bargaining..... | 5 |
| 8. Starting salaries and salary progression | 6 |
| 9. Additional payments and allowances..... | 6 |
| 10. Pensions..... | 7 |
| 11. Non-permanent workforce resources | 7 |
| 12. Compensation for loss of office..... | 8 |
| 13. Pay multiples/comparisons | 9 |
| 14. Equality issues..... | 9 |
| 15. Review..... | 9 |
| Appendix 1 – Version Control | 10 |

1. Introduction

- 1.1 Sections 38 to 43 of the Localism Act 2011 require the Council to produce a policy statement that covers a number of matters concerning the pay of the Authority's staff, principally its Chief Officers and the Authority's lowest paid employees. This pay policy statement meets the requirements of the Localism Act 2011 and takes account of the guidance issued by the Secretary of State for Communities and Local Government in February 2012 and the supplementary guidance issued in February 2013 both entitled "Openness and accountability in local pay: Guidance under section 40 of the Localism Act" together with the Local Government Transparency Code 2015 where applicable. It also takes into account guidance for local authorities on the 'Use of severance agreements and 'off payroll' arrangements' published by the Department for Communities and Local Government (DCLG) in March 2015.
- 1.2 This pay policy statement does not apply to employees of schools maintained by the Council and is not required to do so. This pay policy statement is required to be approved by a resolution of the Full Council before it comes into force. Once approved by Full Council, this policy statement will come into immediate effect, superseding the 2023/2024 pay policy statement.

2. Definitions

- 2.1 All the posts in this section (2.1) are collectively referred to as Chief Officer in accordance with the Localism Act 2011 and the Local Government and Housing Act 1989.
- **Head of the Paid Service**, which is the post of Chief Executive
 - **Statutory Chief Officers**, which are:
 - Corporate Director, Resources – Chief Finance Officer under section 151 Local Government and Housing Act 1989 (the Director of Finance is the Deputy section 151 officer)
 - Director of Legal who is the Authority's Monitoring Officer under section 5 Local Government and Housing Act 1989
 - Corporate Director, Children's Services – designated Director of Children's Services
 - Corporate Director, Health and Adult Social Care – designated Director of Adults Social Services
 - Director of Public Health
 - **Non-statutory Chief Officers and Deputy Chief Officers**, which are:-
 - Corporate Director, Housing and Regeneration
 - Corporate Director, Communities
 - Directors that report to a Chief Officer.
- 2.2 The Lowest Paid Employees are defined as employees paid on Spinal Column Point 2 of the National Joint Council (NJC) for Local Government Services pay scales. This definition has been adopted as it is the lowest level of remuneration attached to a post in this Authority (see section 6 below).

3. Pay and grading structure

- 3.1 The majority of employees' pay and conditions of service are agreed nationally either via the National Joint Council (NJC) for Local Government Services, or the Joint National Council (JNC) for Chief Officers, with regional or local variations.
- 3.2 The rest of the workforce are employed on Soulbury conditions of service, some on conditions determined by the Joint National Council for Youth and Community Workers, some staff covered by the School Teachers Pay and Conditions Document and some staff on locally agreed terms and conditions for Lecturers and Tutors.
- 3.3 There are also a number of staff who are protected by the provisions of TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) following transfers into the organisation and have retained their existing terms and conditions.
- 3.4 It is the practice of the Council to seek the views of local trade unions on pay related matters, recognising that elements are settled within a national framework.
- 3.5 For staff on NJC terms and conditions, the Council uses the national pay spine to determine its pay scale, which is now made up of lettered grades.
- 3.6 All roles are evaluated as follows:
 - i) Up to Grade O under the Greater London Provincial Council (GLPC) job evaluation scheme;
 - ii) Grade P under a local variation to the GLPC job evaluation scheme;
 - iii) Above Grade P using independent benchmarking data for comparator organisations.
- 3.7 The Council signed a Single Status agreement in April 2008 with trade unions. This brought former manual grades into the GLPC job evaluation scheme and replaced spot points with narrow grade bands. This has been implemented by the Council. One of the key aims of the agreement was to eliminate potential pay inequality from previous pay structures and ensure that new pay structures are free from discrimination.
- 3.8 New and changed jobs are evaluated using the relevant job evaluation scheme, with the appropriate grade being determined using a range of factors.
- 3.9 The scale point on which an individual is appointed to the post is normally the lowest of the grade but will depend on skills and experience. There may be exceptional circumstances where an individual may be appointed higher (e.g. to match a current salary) which would require the relevant evidence and appropriate approval.

4. Head of Paid Service, Statutory Chief Officer, Non-Statutory Chief Officer and Deputy Chief Officer remuneration

- 4.1 The Chief Executive receives fee payments pursuant to his appointment as Returning Officer at elections.
- 4.2 Directors; other non-statutory Chief Officers and Deputy Chief Officers receive basic pay (defined by a locally agreed grade).
- 4.3 Chief Officer salary data is published on the Council's website as part of the Government's transparency agenda. For details, please see [here](#).

5. Salary packages

- 5.1 All salary packages for posts at Chief Officer level are in line with locally agreed pay scales.
- 5.2 All salary packages for posts at Chief Officer level of £100,000 or more will be subject to the Human Resources Committee approving the structure and grade for posts at Chief Officer level – and noting by Full Council.

6. Lowest paid employees (excluding Schools based staff)

- 6.1 The Council's lowest paid London based employees are those who are paid on the lowest scale point, which is above the level of London Living Wage.
- 6.2 The Council's lowest paid non-London based employees are those who are paid on the lowest scale point, which is above the level of National Living Wage.
- 6.3 The Council's Apprentices are paid at least the London Living Wage rate.
- 6.4 The Council will implement the increase to the London Living Wage on 1 April 2024 and as the London Living Wage rises in future years the council will continue to increase pay levels for the lowest paid staff to ensure that they are paid the nearest scale point above the London Living Wage.

7. National pay bargaining

- 7.1 Annual pay increases across the Council's grades are set through the process of national pay bargaining which the Council subscribes to.
- 7.2 The Council contributes to the negotiation process by providing an employer view through the annual Local Government Employers' regional pay briefings. The employers' side then negotiate with trade unions at a national level.
- 7.3 National pay rates are set using a number of factors, including:

- The sector's ability to pay
- Movement in market rates
- Inflation levels
- Other pay awards
- The Government's policy position regarding public sector pay

8. Starting salaries and salary progression

- 8.1 Starting salaries for staff shall be based on the lowest spinal column point of the grade, unless the individual is already earning more than this, in which case we will match their salary where this is available to match. Staff will only be placed on a higher spinal column point in exceptional circumstances. Directors can authorise appointment to one spinal column point higher. Appointment to a spinal column point above this is subject to evidence and a business case agreed before an offer is made to a candidate and in line with budget affordability. This must be pre-agreed by the relevant Head of HR/Senior HR Business Partner, on behalf of the Director of Workforce, OD and Business Support, ahead of offers being made. The exception to this provides the Chief Executive authority to agree and set pay for Corporate Directors and Directors in conjunction with the Director of Workforce, OD and Business Support.
- 8.2 There should be no increase in spinal points for staff directly matched to a post as part of internal restructuring. If staff are directly matched at the same grade, they should be on the same salary point. If staff are directly matched at a higher grade, it should be at the bottom spinal point of the new grade. If there is a cross over in spinal point between the old and new grade the individual stays at the same spinal point in the new grade.
- 8.3 For staff below Chief Officer level, incremental progression is on an annual basis for those staff who are not at the top of their grade. In exceptional circumstances an increment may be withheld due to poor performance. Chief Officers have to demonstrate satisfactory performance through a formal annual appraisal before being awarded incremental progression.

9. Additional payments and allowances

- 9.1 A range of allowances and payments are paid as appropriate to the nature and requirement of specific posts, groups of posts and working patterns. These include car and travel allowances, overtime, standby, weekend and night work, shift and call-out payments.
- 9.2 Staff undertaking additional duties to a more senior grade will receive payment reflective of the additional duties required to meet business need as agreed by the relevant Corporate Director or CEO, in consultation with the Director of Workforce HR and OD
- 9.3 The Council has a staff relocation package, available to new entrants to the Council's employment, and subject to tight eligibility criteria, for which

appropriate agreement from the Corporate Director must be obtained by the recruiting manager following consultation with Human Resources prior to any offer of employment.

- 9.4 The authority to agree the payment of market supplements and other payments for recruitment and retention purposes (in accordance with the Council's Market Supplement Policy and Recruitment and Retention Policy) rests with Corporate Directors and/or the CEO, advised by the Council's Director of Workforce, OD and Business Support.
- 9.5 The Council does not currently operate a performance related pay scheme or bonus scheme.
- 9.6 Where a negotiated settlement is appropriate in circumstances which do not amount to a dismissal, it will be approved in accordance with section 12.2 below with input from the Director of Workforce, OD and Business Support.

10. Pensions

- 10.1 All employees (with the exceptions set out below) of the Council up to 75 years of age and who have a contract of more than 3 months' duration are entitled to join the Local Government Pension Scheme (LGPS). Decisions on delegated provisions are agreed by the Pensions Committee. The LGPS is a contributory scheme, whereby the employee contributes from their salary. The level of contribution is determined by whole time salary and contribution levels are set by Government who then advise the employer.
- 10.2 All employees of the Council from 18 to 75 years of age and who are employed on Teacher, Youth Work or Tutor/Lecturer terms and conditions are entitled to join the Teachers' Pension Scheme. The Teachers' Pension Scheme is a contributory scheme, whereby the employee contributes from their salary and contribution levels are set by Government.

11. Non-permanent workforce resources

- 11.1 To ensure flexibility in delivering services, the Council supplements its employee workforce with workers who are not Council employees or on the Council payroll. This non-permanent resource includes consultants and interims, procured through approved third-party providers or the Council's agency contract.
- 11.2 In managing its non-permanent workforce resource, the Council seeks to ensure that: the Council and the wider public sector achieve value for money; tax and national insurance liabilities are managed appropriately; and contractual relationships between the Council, workers and third parties are properly reflected. In this regard, it is the Council's policy not to engage directly with self-employed individuals, or wholly owned one-person limited companies unless a contract for service agreement is the most economically advantageous way to deliver off payroll (outside IR35) services. Where such arrangements are used, the Council will ensure compliance with HMRC (IR35) arrangements..

11.3 Where it is necessary to engage a temporary worker through our managed servicer provider, it will usually be on a rate that is comparable with the grade for the post, where there is a clear comparator. Where the organisation considers it necessary to pay a rate higher than the comparable grade for the post the rationale for this shall be subject to review and recommendation by HR and the decision to appoint on a higher rate made by the relevant Corporate Director or CEO.

12. Compensation for loss of office

12.1 Financial terms for redundancy

The Council has guidance linked to its policy for Handling Organisational Change which sets out the terms for redundancy and early termination of staff (subject to qualifying criteria), which apply to all staff. In certain circumstances, individuals may also qualify for early release of their pension. The Handling Organisational Change policy does not apply to Chief Officers.

12.2 Redundancy/special severance payments

A severance package for any member of staff of £100,000 or more (including an employee's right to contractual redundancy/severance and any enhanced pension strain costs) will be subject to a vote of full council for approval.

Severance packages of £20,000 or more, but below £100,000 will be personally approved by the Head of Paid Service, with a clear record of the Mayor's approval. The S.151 Officer and the Monitoring Officer will also record their approval of the payment.

12.3 Ill health

Where termination of employment arises from ill health, payments will be made in accordance with the contract of employment. In certain circumstances, individuals may also qualify for early release of their pension.

12.4 Re-employment or re-engagement following redundancy/early retirement/receipt of compensation for loss of office

Any member of staff who has left the Council by reason of redundancy or early retirement and received a redundancy/severance payment is required to have a gap before reemployment. The gap should be at least 2 years after the date of termination for all staff who left due to compulsory redundancy or voluntary redundancy before they can return, either as a directly employed member of staff, an agency worker or a consultant. This does not prevent them from working in Tower Hamlets Schools during this period.

13. Pay multiples/comparisons

- 13.1 The Council's pay and grading structures reflect a wide range of job requirements and levels of responsibility across the organisation, with pay and grading being determined by the Council's job evaluation schemes.
- 13.2 The pay ratio demonstrating the relationship between the Council's highest paid employee (total salary package) and the median (mid-point between the highest and lowest) salary position of the non-schools workforce is 1:4.77.
- 13.3 The pay ratio demonstrating the relationship between the Council's highest paid employee (total salary package) and the lowest salary of the non-schools workforce is 1:8.67.
- 13.4 The Council will have regard to its pay ratios and keep them under review, seeking to balance the following:
- Ensuring appropriate reward mechanisms which value knowledge, skills and experience at a senior level, and ensure that the Council can recruit and retain the best talent.
 - Addressing its commitment to matching the London Living Wage for our lowest paid staff and encouraging the developmental progression for staff in the lowest graded roles.

14. Equality issues

- 14.1 The policy elements described in this report derive from national terms and conditions and bargaining, or local discretion. The Council has a keen regard for equality issues and should any changes be made to the pay policy in the future, proposals would go through an Equality Analysis. One of the key aims of Single Status agreement was to eliminate potential pay inequality from previous pay structures and ensure that new pay structures are free from discrimination.

15. Review

- 15.1 The Pay Policy Statement is reviewed annually and submitted to the Human Resources Committee for noting and Council for approval. In the interests of improving accountability and transparency, all appointments made to posts attracting remuneration of £100,000 or more per annum and all severance packages of £100,000 or more during the previous financial year shall be highlighted to Full Council.
- 15.2 Should changes to the Pay Policy be contemplated that would result in an amended statement being published in the year that it applies, these would be subject to a detailed consultation process before adoption by Full Council.

Appendix 1 – Version Control

| Policy Name: | Pay Policy 2024-2025 |
|---------------------|---|
| Policy Owner: | London Borough of Tower Hamlets |
| Implementation: | 2015 |
| Latest review: | 2024 |
| Next review: | 2025 |
| | |
| V-1.0 – 2015 | Implementation of the policy after (board/committee) approval |
| V-2.0 – 2016 - 2023 | Revisions for the year. |
| V.3.0 – 2024 | Revision to evaluation of Chief Officer pay. Update to pay ratios |
| | |
| | |

By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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