

HUMAN RESOURCES COMMITTEE

Thursday, 21 January 2016 at 7.00 p.m.

C1, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London,
E14 2BG

This meeting is open to the public to attend.

Members:

Chair: Councillor Clare Harrisson

Vice-Chair: Councillor Dave Chesterton

Councillor Rachel Blake, Councillor Julia Dockerill, Councillor Shafiqul Haque,
Councillor Sirajul Islam and Councillor Rabina Khan

Deputies:

Councillor Khaled Uddin Ahmed, Councillor Shiria Khatun, Councillor Ayas Miah and
Councillor Gulam Robbani

[The quorum for this body is 3 Members]

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1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

1 - 4

To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992.

See attached note from the Monitoring Officer.

3. MINUTES OF THE PREVIOUS MEETING

5 - 10

To confirm as a correct record the minutes of the meeting of the Human Resources Committee held on 28 October 2015.

Minutes to follow.

4. UNRESTRICTED REPORTS FOR CONSIDERATION

4 .1 Workforce Savings and Employment Options Update

11 - 24

The Corporate Director, Resources will present this report.

4 .2 Workforce Savings 2015/16 Equality Assessment

25 - 54

Report of the Corporate Director, Resources.

4 .3 Pay Policy 2016/17

55 - 118

The Service Head, HR and Workforce Development will present this report.

4 .4 Repayment of Public Sector Exit Payments

119 - 136

The Service Head, HR and Workforce Development will present this report.

4 .5 Senior Management Update/ Recruitment to vacancies

137 - 152

The Service Head, HR and Workforce Development will present this report.

The Service Head, HR and Workforce Development will present this report.

5. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

6. DATE OF THE NEXT MEETING

The next meeting of the HR Committee will take place on Wednesday 13th April 2016 at 7PM in room MP701, 7th Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG.

Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

Interests and Disclosable Pecuniary Interests (DPIs)

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

Effect of a Disclosable Pecuniary Interest on participation at meetings

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Monitoring Officer of the interest for inclusion in the Register.

Further advice

For further advice please contact:-

Melanie Clay, Director, Law, Probity and Governance, 020 7364 4801

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	<p>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.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>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—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
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	<p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p>
Securities	<p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(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.</p>

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LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE HUMAN RESOURCES COMMITTEE

HELD AT 19:00 ON WEDNESDAY, 28 OCTOBER 2015

**ROOM MP701, 7TH FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG**

Members Present:

- Councillor Clare Harrisson (Chair)
- Councillor Dave Chesterton (Vice-Chair)
- Councillor Rachel Blake
- Councillor Julia Dockerill
- Councillor Sirajul Islam

Apologies:

- Councillor Rabina Khan

Officers Present:

- Simon Kilbey, (Service Head (HR and Workforce Development))
- Stephen Halsey (Interim Head of Paid Service)
- Melanie Clay (Director, Law, Probity and Governance)
- Matthew Mannion (Committee Manager)
- Tom Scholes-Fogg (Clerk)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillor Rabina Khan.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

No declarations of pecuniary interests were made.

3. MINUTES OF THE PREVIOUS MEETINGS

The unrestricted minutes of the Human Resources Committee held on 1 July 2015 and 10 July 2015 were presented for approval.

RESOLVED

1. That the unrestricted minutes of the meetings of the Human Resources Committee held on 1 July 2015 and 10 July 2015 be agreed and signed by the Chair as a correct record of the proceedings.

4. UNRESTRICTED REPORTS FOR CONSIDERATION

4.1 SENIOR MANAGER RECRUITMENT UPDATE

The report was introduced by Stephen Halsey, Corporate Director, Communities, Localities and Culture, who informed the Committee about the recruitment exercises that were taking place in order to fill senior management vacancies within the Council.

In relation to the upcoming recruitment exercises, he explained that Will Tuckley, the Chief Executive, had asked the Head of Paid Service to lead on confirming recruitment agencies best able to support each individual process. After reviewing their presentations it was recommended that Penna be contracted to support all the listed recruitment processes with the exception of that for the Service Head, Communications which should be supported by Green Park. Will Tuckley had supported those recommendations.

In response to questions, Stephen Halsey confirmed that Will Tuckley was aware of previous discussions about Penna and that useful due diligence discussions had been held with the recruitment agency. It was considered that Penna had provided the most comprehensive answers on how they would progress successful recruitment exercises.

Responding to questions, Stephen Halsey explained that:

- It had been agreed that the Director level posts would be recruited before the linked Service Head. It was expected that Service Head applicants would want to know who their Director was going to be. Directors would also want to be involved in confirming the arrangements for their Service Head posts.
- However, the Chief Executive was keen to recruit to all posts as quickly as possible.
- The Committee Members would need to be consulted as the process developed over issues that may arise such as changes to the health trust impacting on the roles at the Council.

Members highlighted the need to ensure that all the processes were conducted as quickly as possible to avoid long gaps between appointments. They also expressed concerns over recent occasions where lengthy interim arrangements had operated. The Chair stated that she would be discussing with Chief Executive how to ensure that the Committee could be briefed on progress in between Committee meetings.

During continued discussion of the report further questions were asked, officers responded as follows:

- Melanie Clay, Director, Law, Probity and Governance, reported that she was reviewing how to best support the Democratic Services function to determine how it best fit within her structure. She also noted

a number of changes at Service Head level within Law, Probity and Governance that would require action. She confirmed that she would look to ensure that when roles were advertised they would not then change shortly afterwards.

- Simon Kilbey reported that there were nationwide skills shortage in recruiting to Service Head, Learning and Achievement type posts but it was hoped that recruiting a Corporate Director would help encourage applicants.
- Timetables were set out for a number of the recruitment processes but that these could be altered if it proved necessary.

In discussing the report, Members made a number of comments including that:

- Officers should look at whether the way the posts were advertised made them sound enticing enough.
- For example, the Service Head, Communications post could emphasise the national and international nature of media interest in the Borough, the crisis management role and also the need to develop social media use.
- The Service Head, Learning and Achievement should had the word 'education' in the job title.
- Officers should explore whether low levels of interested indicated a reluctance of candidates to apply for posts at Tower Hamlets Council.
- Whether appropriate exit interviews were being undertaken and lessons learned.

Moving on to discuss the Chief Executive post, Members requested that they be presented with information on the Chief Executive's appraisal arrangements as Members were not currently clear what arrangements were being followed and had not been able to sign off on any process. Officers confirmed that discussions had been taking place including with the Commissioners and that a process involving the Mayor and a panel including an independent advisor was being set up. Group Leaders would also be involved in the process. It was agreed to ensure that the Human Resources Committee Members were able to review and comment on the arrangement, or sign off the process if that was appropriate.

Members agreed that Councillors of all parties needed to have confidence in the Chief Executive and that he was seen as independent of the Mayor.

The Human Resources Committee expressed its thanks to Stephen Halsey for his work as Interim Head of Paid Service.

RESOLVED:

1. To note the progress on recruitment to Senior Management vacancies of Chief Executive, Corporate Director Resources, Director of Law, Probity and Governance, Director of Adults' Services, Corporate Director Children's Services, Service Head, Finance and Procurement,

Service Head Public Realm, Service Head Legal, Service Head Communications and Marketing, Service Head Learning & Achievement and Service Head, Commissioning and Health.

2. To note that recruitment consultants have been invited to submit proposals to support the Council in recruiting to the two Director posts and those Service Head posts for which consultants have not previously been engaged.
3. To note that there will be an intensive recruitment period with a number of Appointments Sub Committees needing to be convened early in the New Year and with one currently indicatively scheduled to take place in the week prior to the festive break.

4.2 HUMAN RESOURCES & WORKFORCE DEVELOPMENT UPDATE

Simon Kilbey, Service Head for Human Resources & Workforce Development provided a verbal Update to the Committee on the arrangements for presenting HR and workforce data to the Committee. Members were asked to submit any suggestions that they had to Simon Kilbey and the Chair regarding the content of the future reports. He also explained that officers were still exploring how to collect some of the requested data such as that around apprenticeships.

Councillor Rachel Blake suggested that the quarterly recruitment report for new starters (Page 7 of the agenda, paragraph 3.3) showed there were still issues when it came to recruiting local residents and ethnic minorities. She said the Committee and the Council would not have information on new starters between April 2015 and June 2015 until at least January 2016, which meant that any adverse trends would not be spotted before the end of year report. He stated around 25 posts had been advertised and filled in partnership with Skills Match. Officers were targeting schools to aim for a better gender mix. The current 2/3 male and 1/3 female split was still a concern and would be investigated further along with concerns that particular groups were not applying.

Ideas being explored by officers included:

- Looking to see when large council contracts were being put out to tender.
- Better linking with community groups and schools.
- Linking with other providers beyond skills match.
- How to encourage buy-in from local businesses.
- The need to ensure all parts of the Council were engaged.

However, it was noted that the Council recruited more apprenticeships than most boroughs and that retention rates were high.

Councillors stated it was important to push council providers and partners for them to advertise and train apprentices. The Chair asked Simon Kilbey to see if one of the officers involved in recruiting apprenticeships and also an

apprentice could come and speak to the Committee to provide their take on the situation. ask somebody to speak to the Committee to discuss apprentices and jobs, and answer any questions the Committee may have.

RESOLVED

1. To note the verbal update and to send any comments or suggestions to the Chair and to Simon Kilbey on information Members would like to see included in the reports in future.

4.3 ENCOURAGING EQUALITIES DATA

Simon Kilbey, Service Head for Human Resources & Workforce Development explained to the Committee that the equalities report published in the supplementary agenda showed what the council is doing in relation to Equalities data.

He added that it was important to make people feel that they could inform the Council regarding protected characteristics and to make them feel comfortable working at Tower Hamlets Council.

There was general agreement from the Committee that it was important to attract staff from a variety of different backgrounds.

RESOLVED

1. To note the report.

5. ANY OTHER UNRESTRICTED BUSINESS

It was agreed that future meetings of the Human Resources Committee should start at 19:00, rather than the current start time of 19:30 – subject to there being no other Council business. It was agreed that the change in time should begin from the on 19th January 2016.

6. EXCLUSION OF THE PRESS AND PUBLIC

A motion was passed in the unrestricted section of the meeting to exclude the press and public during the consideration of the following items.

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/CONFIDENTIAL MINUTES OF THE PREVIOUS MEETINGS

The restricted minutes of the Human Resources Committee held on 1 July 2015 and 10 July 2015 were presented for approval.

RESOLVED

1. That the restricted minutes of the meetings of the Human Resources Committee held on 1 July 2015 and 10 July 2015 be agreed and signed by the Chair, as a correct record of the proceedings.

8. ANY OTHER EXEMPT/CONFIDENTIAL BUSINESS WHICH THE CHAIR CONSIDERS URGENT

There was no other exempt or confidential business which the Chair considered urgent.

The meeting ended at 20:45

Chair, Councillor Clare Harrisson
Human Resources Committee

Non-Executive Report of the: HR Committee 21 st January 2016	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director of Resources	Classification: Unrestricted
Workforce Savings and Employment Options Update	

Originating Officer(s)	Mark Keeble – Senior Business Partner (Project Lead)
Wards affected	All wards

Summary

This is the sixth in a series of reports to the Committee providing an update on the progress on delivering workforce changes to implement Service Challenge driven savings and the Employment Options Saving Programme. Approximately £11 million of the £28 million of savings required by the Medium Term Financial Plan (MTFP) for 2015/16 relate to reducing the size of the council's workforce. Good progress is being made to remove 322 posts from the establishment.

Following a further review of the measures needed to manage change within the workforce and deliver future savings, CMT have decided not to repeat the Employment Options savings programme. As a result, the programme will now end.

The Committee is asked to:

1. Note progress being made to deliver approximately £10.8 million of workforce savings through the implementation of Service Challenge savings that impact on the council's workforce and Employment Options Saving Programme.
2. Note the decision of CMT to end the Employment Options Programme.
3. Note the process underway for delivering 2016/17 savings proposals that impact on the workforce.
4. Note the position on individual exits costing £100k or more.

1. REASONS FOR THE DECISIONS

- 1.1 The reduction of the establishment by 322 posts to deliver £10.8 million of savings from the workforce for 2015/16 is a key activity for the council. There are no specific matters which require decisions from the Human Resources Committee in relation to matters delegated to the Committee under the council's Constitution. The purpose of the report is to ensure the Committee is informed of progress on implementing savings from the workforce and the impact of them. The Committee is invited to comment on matters involved to help ensure changes are delivered transparently and in accordance with the council's values and policies.

- 1.2 Public consultation took place between 12 October 2015 and 9 November 2015 on £15 million of savings that must be delivered for 2016/17. Approximately £5 million of this will impact on the workforce with a reduction of up to 75 FTE employees expected.
- 1.3 In addition to £15 million of savings for 2016/17, the council's MTFP currently requires a further £59 million of savings to be made during the following three financial years (2017/18, 2018/19 and 2019/20). The transformational strategies required to deliver these savings in future years will be developed during 2016.

2. ALTERNATIVE OPTIONS

- 2.1 The delivery of the Employment Options Programme was agreed alongside the Service Challenge items as part of a wide programme to deliver £28 million of savings in 2015/16 required to set and operate within a balanced budget. Options that were available to deliver the required level of savings were reviewed and approved by Cabinet in December 2014. The council's budget has been approved by Full Council which included consideration of amendments proposed by political groups.
- 2.2 The council has a statutory duty to set a balanced budget which requires £15 million of savings to be delivered for 2016/17. Saving proposals have been identified that take into account strategic priorities and their impact on the community and workforce. Those savings proposals that would impact on the delivery of services were included in the public consultation process. Having reviewed the public consultation process that took place in 2014, improvements were made to more fully engage staff and trade unions in this year's process. This informed the budget decisions which Cabinet made on 5 January 2016 by better understanding their impact and identifying alternative options that were available.
- 2.3 Following a review by CMT, it was decided that it was in the best interest of the council not to repeat the Employment Options programme for the reasons set out in Section 6 below. Therefore the ability for staff to formally request VR/ER will only be through formal consultation processes to implement savings proposals and as part of the council's transformational strategies.

3. BACKGROUND

- 3.1 The reduction of the establishment by 322 posts to deliver £10.791 million from workforce related Service Challenge and Employment Options (EO) savings is making a significant contribution for the council to operate within a balanced budget during 2015/16.
- 3.2 The delivery of the Employment Options Programme was agreed alongside the Service Challenge items as part of a major package to deliver the £28 million of savings the MTFP required from the 2015/16 budget for the council to set and operate within a balanced budget. The EO programme was

launched in July 2014 to address a shortfall of approximately £4 million between Service Challenge savings that had Mayoral and Lead Member Resources approval and the £28 million target. At that point in time, there was a strong expectation that the savings would be delivered without any compulsory redundancies. Information collected during EO helped inform and minimise this risk.

- 3.3 The EO programme offered all employees, excluding schools staff, the opportunity to express an interest in voluntary redundancy, early retirement, flexible retirement and flexible working options to take effect from 2015/16. Employees were also able to express an interest for these options in either of the following two financial years in order to inform future workforce planning.
- 3.4 In recognition that the timing of the decisions as part of the budget process for 2015/16 would prevent some savings from being delivered by 31 March 2015, a provision of £4 million was made to cover the costs of slippage in the date that all savings would be fully realised.
- 3.5 The approach taken to 2015/16 workforce savings received positive feedback during the liP Gold Assessment. Trade Unions also reported that they found the tone in how managers conducted consultations was in their view “less confrontational” than in the past.
- 3.6 The process of delivering the change to deliver 2015/16 savings was designed to improve on the Lean programme of 2010 and 2011 by giving Directorates more control, flexibility and responsibility for delivering savings within a corporate framework which they were all able contribute to the development of.

4. CURRENT POSITION – ALL WORKFORCE SAVINGS

- 4.1 Table 1 below summarises the route through which workforce savings are being delivered and their value. This shows a total of 322 posts are required to be removed from the establishment to deliver savings of £10.791 million. 309 of these posts are expected to be deleted by the end of March 2016 to achieve full year equivalent savings of £10.224 million. This has made a further significant contribution to reducing the council’s Full Time Equivalent (FTE) workforce (including both employees and agency staff) by 26% from 5,543 FTE in March 2010 to 4,110 FTE in September 2015. The remaining 13 posts to deliver £567k of workforce changes are expected to be deleted during the first quarter of 2016/17.
- 4.2 The first formal consultation meetings with employees and Trade Unions on individual restructures commenced in December 2014. Prior to this, on 28 October 2014, the Head of Paid Service issued statutory notice under Section 188 of The Trade Union and Labour Relations (Consolidation) Act 1992 to the Trade Unions and Secretary of State that the council expected to make more than 100 redundancies during a 90 day period.

Table 1: Summary of Workforce Savings (as at 05/01/2016) – Includes both Service Challenge Savings and Employment Options

	Pre-Delivery		Delivery	Delivered			TOTAL
	No current date for delivery	Consultation Planned to deliver before 31 March 2016	Currently Consulting or FTA	Restructures Delivered	VR/ER Outside of Restructures	Vacant Post Deletions Outside Restructures	
Value of Savings (£000s)	£567	£215	£211	£7,660	£899	£1,239	£10,791
Indicative Redundancy Costs (£000s)	£223	£116	£60	£4,472	£736	-	£5,607
Indicative Pension Costs (£000s)	£148	£77	£40	£2,230	£188	-	£2,683
Total Pension & Redundancy Cost	£371	£193	£100	£6,702	£924	£0	£8,290
Vacant Post Deletions	-	-	4	66	-	32	102
Voluntary Redundancies Agreed to date	-	-	-	146	22	-	168
Further Voluntary Redundancies Expected	13	5	2	-	-	-	20
Compulsory Redundancies to date	-	-	-	4	-	-	4
Further Compulsory Redundancies Expected	-	-	-	1	-	-	1
Appointments through ringfencing & redeployment	-	-	-	27	-	-	27
Number of Posts to be Deleted	13	5	6	244	22	32	322

Restructures

4.3 To date, 38 restructures (both EO and Service Challenge) have been cleared by People Board Operations to start formal consultation. Their current status is as follows:

- 1 is currently subject to on-going formal consultation (Public Health);
- 3 have been cleared to start consultation by People Board Operations (Planning and Building Control, Arts Parks and Events and Idea Stores);
- 34 have had VR/ER requests approved; and,
- 2 were partially delivered and will be completed at a later date although they have still been able to deliver the majority of their savings.

- 4.4 In addition, there have been 4 non-savings related restructures during the current year.
- 4.5 There are a further 6 restructures which are planned to start consultation to deliver savings between February and before the end of April 2016. The £567k of savings expected from these restructures will therefore not be realised during 2015/16. The total cost of slippage on workforce related savings is estimated at £2 million (the forecast against all 2015/16 savings is £2.7 million), which is within the £4 million provision.

Redundancies

- 4.6 There have been 178 redundancies agreed by People Board Operations to date. Of these, 174 are VR/ER, all of whom have signed a Settlement Agreement. The remaining 4 are compulsory redundancies and are just over 1% of the reduction in posts required (compared to 13% during 2010/11). Only one further compulsory redundancy is expected from restructures that have already been completed or have a FTA. In addition, the proportion of vacant post deletions is higher this year (31%) compared to 2010/11 (17%).
- 4.7 The estimated one-off cost of VR/ER to deliver £10.767 million of workforce savings required for 2015/16 is estimated to be £8.290 million. This is well within the provision of £11 million for VR/ER costs made during the budget process.

Home Care

- 4.8 The 4 compulsory redundancies so far have been Home Carers. Of the 72 employees in the In-House Home Care Service, 49 opted for VR/ER and 19 have been successfully redeployed. The closure of the service delivered a £2 million saving, £1.4 million of which came from staff. This minimal number of compulsory redundancies for a saving of this size is one of the successes of this year's delivery. The support put in place for the staff in this service has been held up as an example of good practice that provides a model for similar situations in the future.
- 4.9 A number of special measures to support staff were put in place regardless of whether they wished to remain in employment or not. A very successful Jobs Fair day was organised for Home Carers with stalls for different directorates to showcase job opportunities, as well as HR being in attendance to set out what options were available for them and what support the Council could provide.
- 4.10 For those wanting to leave the Council and work elsewhere, a wide range of training opportunities was offered, including CV writing, job application and interview training, as well as NVQs at Level 1 and 2 for Maths, English and ICT. More practical skills training was also offered to improve their prospects in the external jobs market and HR worked alongside Skills Match and the DWP to establish how they could support these workers.

- 4.11 For those staff wanting to remain working for Tower Hamlets, measures were put in place straight away to find alternative work ahead of them receiving their written notice of redundancy. This was arranged specially for Home Carers initially and was outside of the normal Redeployment Procedure. It has since been adopted as a Provisional Redeployment Period and made available to staff during current restructures for staff who might be at risk of compulsory redundancy. This allows early registration for redeployment at the start of formal consultation instead of waiting until the end when written notice is issued at the conclusion of assimilation interviews.
- 4.12 A range of job opportunities within two grades up or down of the Home Carers grade were identified across all council directorates and staff were asked to express their preferences for the roles. Job Shadowing opportunities were offered so that staff could try the jobs before putting themselves forward for them. Interview training was given to support staff applying for internal roles too. Additionally, 12 new roles of Service User Liaison Officers were created specifically to monitor the external homecare providers some of whom had service users transferred to them during the service closure. These opportunities were ringfenced to the displaced Home Carers initially and a number were redeployed into these roles.

Failures to Agree

- 4.13 There have been a total of 13 FTAs in response to 34 restructures to deliver savings (a rate of nearly 4 FTAs for every 10 restructures), 10 of which have been resolved and 2 resulted in proposals being withdrawn so they can be reviewed and started again. The remaining 1 will be resolved during January 2016 follow the JCAG that has been scheduled to consider the representations from the Trade Unions.
- 4.14 Failures to Agree have cost £897k to date as a result of delayed implementation of savings (this is included in the cost of slippage in para 4.5 above). This estimate takes into account agreed extensions to consultation periods and the vacant posts that would be deleted as a result of implementation. The length of delay has ranged from 1 week to 42 weeks. The average delay is 17 weeks.
- 4.15 There has been a tradition in Tower Hamlets of working to try and reach a consensus with Trade Unions to resolve concerns raised during formal consultation. This has largely been a successful way of working to implement change without protracted disputes. However, this was the first time major change has been implemented since GMB and UNITE withdrew from Staff Side. In a number of cases, FTAs involved differences of opinion between Trade Unions which meant it took managers more time to reach a consensus. The expectations that the Trade Unions took into the formal consultations resulted in a FTA whenever there was a risk of compulsory redundancy which frequently prevented or delayed action to appoint staff at risk to new roles.
- 4.16 This is a matter which CMT will be reviewing and addressing to ensure efficient delivery of future changes in the workforce.

5. CURRENT POSITION – EMPLOYMENT OPTIONS (EO)

- 5.1 EO has so far delivered full year equivalent savings of £2.738 million through completed restructures, staff exits on VR/ER outside of restructures and vacant post deletions (all figures quoted for EO are included in those quoted in Section 4 above for the workforce savings programme as a whole). A further £865k of savings are also expected. The target approved by Cabinet in December 2014 is £3.561 million. If all identified EO savings are achieved they would be £42k above this target. However, there is a risk to £654k of the savings that are expected to start consultation to deliver by or shortly after March 2016.
- 5.2 A breakdown of the contribution from each Directorate and Service is detailed in Appendix 1.
- 5.3 The £2.738 million delivered to date is made up as follows:
- £245k through the deletion of 13 vacant posts outside of restructures;
 - £899k through VR/ER outside of restructures for which 23 employees have signed Settlement Agreements and left the council's employment. The cost of VR/ER payments for these exits is £924k; and,
 - £1.594 million of savings have been achieved through 14 formal consultations to delete 49 posts (39 VR/ER and 10 vacant posts) at a cost of £2.766 million in VR/ER payments.
- 5.4 The £865k of savings still to be delivered are:
- £211k through a restructure of Public Health which is currently on-going;
 - £146k through restructures that are expected to deliver savings by the end of March 2016; and,
 - £508k through restructures that are expected to be delivered early in 2016/17.

6. FUTURE OF EMPLOYMENT OPTIONS

- 6.1 On 18 November 2015, CMT reviewed the decision to continue with the EO programme and agreed that it should not be repeated. In reaching this decision, CMT took into account the successes of the EO programme and the best way in which changes and reductions in the workforce should be managed going forward.
- 6.2 The first year of EO is considered to have been successful in the following areas:
- Identifying £3.5million of further savings in addition to Service Challenge proposals;
 - Providing a means of progressing with savings from the workforce against a strong expectation at the time that there would be no compulsory redundancies;

- Enabling over 30 staff to leave on VR/ER ahead of or without the need for formal consultation so realising savings more quickly than via restructures,
- Staff and Trade Unions preferring the approach to 2015/16 savings delivery than previous years, informing the Investors in People Assessor they felt more engaged and able to influence change.
- Supporting the council to achieve a balanced budget for 2015/16.
- Enabling a reduction of 231 FTE to the council's workforce between March 2015 and September 2015.

6.3 Continuing with the EO programme could have provided a means of identifying savings against future MTFP targets and collecting further information on the intentions of the workforce which could help inform workforce planning to aide delivery of future year's savings. However, it was decided not to continue the programme for the following reasons:

- The current savings proposals will, if implemented, allow the council to meet the £15 million savings target for 2016/17 without requiring additional measures. This is different to the position last year when there was a significant gap between the savings proposals identified by Directorates which EO was created to address;
- The need to review the level of savings required in 2017/18 and 2018/19 following the outcome of central government's Comprehensive Spending Review; and,
- Recognition that the future shape, composition and size of the workforce will need to be determined by the council's transformational strategies that are being developed. Any future need for a VR/ER programme will be considered alongside them.

6.4 Additionally, the bumped redundancy list will be ended. During the last year only 2 out of the 170 people on the bumped redundancy list were released on ER/VR. This was a result of the low numbers of staff being placed at risk of compulsory redundancy following the conclusion of restructures. This has enabled staff at risk to be redeployed into vacant posts thereby saving the council unnecessary redundancy costs by offering bumped redundancies.

6.5 There were some good practices developed at part of the EO programme which will be considered for inclusion in the Organisational Change Procedure when it is next reviewed.

7. IMPACT OF 2016/17 SAVINGS PROGRAMME ON THE WORKFORCE

7.1 The council has developed 57 savings proposals to deliver the £15 million of savings required in the MTFP for 2016/17. 25 of these proposals were required under Best Value and Equalities legislation to be consulted on with the community. To comply with this and ensure that service users can provide feedback on the savings proposals, the council carried out a public consultation (Your Borough, Your Voice) between 12 October 2015 and 9 November 2015. In the interests of transparency, the full list of savings proposals (including those that do not legally require public consultation) were

published and shared with Trade Unions and staff. During this consultation process, every member of CMT met with Trade Unions to provide a briefing on their Directorate's proposals and respond to concerns.

- 7.2 Initial analysis shows that up to 20 of the proposals will have an impact on the workforce and will deliver savings of approximately £5 million with a reduction in the council's establishment of less than 100 Full Time Equivalent (FTE) employees. The council's Cabinet decided on 5 January 2016 which of the proposals would be implemented.
- 7.3 To ensure staff in services affected by the proposals are aware and able to comment, managers were required to:
- Inform staff that their service is either in scope of the public consultation or if it is listed as a savings proposal;
 - If included in the public consultation, provide staff with a copy of a standard letter and FAQs along with the relevant content from the consultation document; or
 - If not included in the public consultation but contained in the published list of all savings proposals, provide a copy of the standard letter and FAQs to staff along with an explanation of the proposal;
 - Hold an initial meeting with staff no later than during the first week of the public consultation between 12 and 16 October 2015;
 - Collate feedback and comments received from staff and provide a written response no later than one week after the consultation closed; and,
 - Meet with staff again following the end the consultation to discuss all responses received on the proposal.
- 7.4 Managers were encouraged to organise further meetings with staff in services where it was necessary to do so. Whilst there was no requirement for managers to invite Trade Unions Representatives to these meetings, if they are asked to attend by one of their members they were not excluded.
- 7.5 The proposals contained in the public consultation were published on the intranet which allowed employees to read a summary of the proposal, answer questions on the potential impact and submit their comments.
- 7.6 The council is required under Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 to notify the Trade Unions and Secretary of State if 20 or more employees will be made redundant in a period of 90 days or less. This notice will be issued before the end of January 2016.
- 7.8 The Committee will be kept up to date with progress on delivering 2016/17 savings that impact on the workforce.

8. INDIVIDUAL PAYMENTS

- 8.1 Where the deletion of a Chief Officer post is proposed, a report is submitted to the council's HR Committee for consideration, which will include information, if relevant, regarding the severance package and the costs of such. Only employees at this level will receive a redundancy/severance payment of £100k or more in the event of their redundancy. The Committee has agreed the redundancy of two Chief Officer posts as part of the savings programme for 2015/16.
- 8.2 In the interests of transparency, the Committee is asked to note that 16 employees approved for VR/ER to date who are not Chief Officers have an exit cost of £100k or more based on their redundancy payment **and** the cost of early release of pension benefits.
- 8.3 The cost of early release of pension is not currently included in the payment received by the employee so it is not taken into account to determine whether the employee leaving the council will receive an exit payment in excess of £100k. All payments in these circumstances are based on the policy for redundancy and early retirement previously approved by the HR Committee.
- 8.4 No other potential exits with a total cost in excess of £100k have been identified to date. Further exits at this level of cost will not be known until new restructure proposals are presented and requests for VR/ER are submitted. Decisions take into account consideration of whether the costs of VR/ER represent value for money in respect of the savings delivered and confirmation that the employee's post is genuinely redundant.
- 8.5 Information on central government's proposals to cap exit payments and the circumstances in which payments will be recovered is contained in other reports on the Committee's agenda.

9. COMMENTS OF THE CHIEF FINANCE OFFICER

- 9.1 This report provides HR Committee with an update on progress with delivering staff related savings both through the Employment options programme and through service challenge savings projects. HR committee are asked to note the contents of the report and thus there are no financial implications arising from the recommendations to HR committee.
- 9.2 The employment options programme is designed to assist the organisation deliver the £27.5m savings target required to achieve a balanced budget in 2015/16.
- 9.3 Total staff related savings are expected to be in the region of £11 million and are estimated to cost £8.290m (see table 1 above). These one-off costs will be funded through an earmarked reserve which currently stands at £11m.

10. LEGAL COMMENTS

- 10.1 Section 139 of the Employment Rights Act 1996 defines redundancy, relevant to this context, as a dismissal which is attributable to the fact that the requirements for work of a particular kind have ceased or diminished or are expected to cease or diminish.
- 10.2 Statutory Redundancy payments are payable to an employee with more than two year's continuous service, in accordance with section 162 of the Employment Rights Act 1996. The maximum statutory redundancy pay is currently capped at £13,920.00, following the Employment Rights (Increase of Limits) Order 2014. The Council's power to make redundancy payments over and above the statutory scheme derives from the Local Government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) Regulations 2006.
- 10.3 The Local Government Act 2000 and the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 provide that staffing is a non-executive function. The Council's head of paid service under the Local Government and Housing Act 1989 has responsibility for a number of employment matters in the Council, including the following:
- the manner in which the discharge by the Council of its different functions is co-ordinated;
 - the number and grades of staff required by the Council for the discharge of its functions;
 - the organisation of the Council's staff; and
 - the appointment and proper management of the Council's staff.
- 10.4 Paragraph 9.1 of the Officer Employment Procedure Rules in Part 4 of the Council's Constitution provides that neither the Mayor nor any member of the Council will be involved in the dismissal of any officer below deputy Chief Officer. Redundancy is a dismissal for the purposes of the Employment Rights Act 1996.
- 10.5 Paragraph 1.1 of the Officer Employment Procedure Rules provides that the appointment or dismissal of an officer is a function which must be discharged by the Head of Paid Service unless the officer is:
- Head of Paid Service;
 - A Statutory Chief Officer;
 - A non-Statutory Chief Officer;
 - A deputy Chief Officer;
 - A political assistant;
 - The Mayor's assistant.
- 10.6 In respect of the specified posts in paragraph 10.5 above, responsibility for dismissal (including redundancy) is a function which must be discharged as follows: (i) in respect of the Head of Paid Service by the full Council on the recommendation of the HR committee or sub-committee or officer appointed to deal with the dismissal; (ii) in respect of chief officers and deputy chief officers, by the Council, or by the HR committee, sub-committee or officer

appointed to deal with the dismissal; and (iii) in respect of a political assistant or the Mayor's assistant by the Head of Paid Service in accordance with the wishes of the political group or the Mayor (as appropriate). In respect of (i) and (ii) prior notice and an opportunity to object must first be given to the Executive.

- 10.7 Having regard to the matters in paragraphs 10.3 to 10.6 above and the terms of reference of the HR Committee, it is appropriate for the Committee to be provided with information about progress of the Employment Options programme for consideration and comment.
- 10.8 When progressing the Employment Options programme, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristics and those who do not (the public sector duty). Some form of equality analysis will be required which is proportionate to proposed projects and their potential impacts. This will have particular relevance in areas where a majority or significant number of the workforce affected share a protected characteristic, as identified in the Home Care Service and should limit the risk of claims of indirect discrimination.

11. ONE TOWER HAMLETS CONSIDERATIONS

- 11.1 These have been identified in equality impact assessments throughout the workforce savings programme. The final equalities assessment of the 2015/16 savings that impact on the workforce is contained in a separate report on this agenda for the Committee.

12. BEST VALUE (BV) IMPLICATIONS

- 12.1 The council aims to maximise the delivery of workforce savings through the most efficient methods where ever it is possible to do so. This is by deletion of vacant posts and reducing agency staff use. Where savings can only be delivered through changing structures and jobs, the council's Handling Organisational Change procedure is followed. Using a combination of routes through which savings can be delivered enables changes to be implemented more effectively. The approaches and procedures adopted by the council are benchmarked externally and reviewed on a regular basis to ensure they remain fit for purpose and reflect best practice and organisational learning.
- 12.2 People Board Operations sub Group (PBO) – the group of senior officers responsible for reviewing and approving VR/ER requests that result from restructures – requested legal advice on the cost of VR/ER exits compared to the savings they delivered in terms of reasonableness and value for money. The advice, which has been applied consistently, is that no changes in structure should be approved unless the savings delivered cover the VR/ER costs within a period of three years. This is a maximum threshold although the majority of structural changes are delivered within a payback period of close to one year.

13. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

13.1 No implications identified.

14. RISK MANAGEMENT IMPLICATIONS

14.1 Risk Management were involved in the design phase of the planning process to deliver workforce savings. Key risks were identified and were subject to review at different stages of delivery by Internal Audit. Whilst the risk of claims from individual employees leaving on VR/ER is addressed through requiring them to sign a settlement agreement, the council still needs to be able to evidence that it has complied with the legal duty to have given due regard to related equalities matters. The equalities assessment undertaken will assist by providing evidence of this.

15. CRIME AND DISORDER REDUCTION IMPLICATIONS

15.1 No implications identified

Linked Reports, Appendices and Background Documents

Linked Reports

- Employment Options and Workforce Savings Update reports previously submitted to HR Committee on: 22 October 2014; 11 December 2014; 28 January 2015; and 25 March 2015, 1 July 2015.

Appendices

Appendix 1: Employment Options Savings by Service and Directorate

Local Government Act, 1972 Section 100D (As amended) List of “Background Papers” used in the preparation of this report


- None.

Officer contact details for documents:

- Not applicable.

Appendix 1: Employment Options Savings by Service and Directorate (as at 5 January 2016)

	Stage						Grand Total
	Pre-Delivery		Delivery	Delivered			
Directorate/Service	No current date for Delivery	Consultation Planned to deliver Before 31 March 2016	Restructures in Consultation or at FTA	Restructures Completed	Outside Restructure	Vacant Posts Deletion (Post Numbers Supplied)	
Culture, Learning and Leisure		£110,000			£331,564		£441,564
Public Realm				£467,000	£121,432		£588,432
Safer Communities				£238,321	£156,392	£95,700	£490,413
Strategy, Resources & Olympic Impacts				£143,000	£6,392		£149,392
Communities, Localities and Culture Total	£0	£110,000	£0	£848,321	£615,780	£95,700	£1,669,801
Economic Development				£199,000			£199,000
Housing Options	£179,000				£91,000		£270,000
Planning and Building Control		£36,000		£133,000			£169,000
Resources				£61,387			£61,387
Strategy, Regeneration and Sustainability				£128,444			£128,444
Development & Renewal Total	£179,000	£36,000	£0	£521,831	£91,000	£0	£827,831
Adults Social Care Services	£124,000						£124,000
Commissioning and Health	£76,000			£104,446			£180,446
Public Health			£211,000				£211,000
Adult Services	£200,000	£0	£211,000	£104,446	£0	£0	£515,446
Children's Social Care		£51,000					£51,000
Learning & Achievement					£21,038		£21,038
Children's Services	£0	£51,000	£0	£0	£21,038	£0	£72,038
Democratic Services				£119,702	£107,000		£226,702
Law, Probity & Governance Total	£0	£0	£0	£119,702	£107,000	£0	£226,702
Customer Access & ICT					£23,700	£115,585	£139,285
HR & Workforce Development	£78,184				£41,000	£33,500	£152,684
Resources Total	£78,184	£0	£0	£0	£64,700	£149,085	£291,969
Total of Expected Savings	£457,184	£197,000	£211,000	£1,594,300	£899,517	£244,785	£3,603,786
Corporate Target approved by Cabinet							£3,561,000
Difference (expected v target)							£42,786
Still to be delivered							£865,184

Non-Executive Report of the: HR Committee 21 st January 2016	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director of Resources	Classification: Unrestricted
Workforce Savings 2015/16 Equality Assessment	

Originating Officer(s)	Mark Keeble – Senior Business Partner (Project Lead)
Wards affected	All wards

Summary

This report provides a holistic assessment of the equalities impacts of the workforce changes that took place as a result of the council's savings programme during the period November 2014 and September 2015. The purpose of the assessment is to analyse the data from all of the individual impact assessments undertaken for each workforce related savings proposal that was implemented during this period.

The assessment was undertaken in line with the requirements of the Equality Act 2010, which places a legal requirement on the council to have 'due regard' to the Public Sector Equality Duty in all activities undertaken. The council is rated as 'excellent' against the Equality Framework for Local Government. To retain this rating, equality assessments must be undertaken to identify any adverse impacts, understand the cause of them and, where they occur, take action to reduce or remove the impact where it is reasonable to do so.

In conducting the assessment, there were no adverse impacts which could not be explained or justified after a detailed examination of workforce composition within specific age bands and the characteristics of staff in scope of specific savings.

The Committee is asked to:

1. Note the findings of the corporate equality assessment of the Workforce Savings 2015/16 which is attached at Appendix 1.
2. Note the actions arising from the equality assessment and further analysis included in this report

1. REASONS FOR THE DECISIONS

- 1.1 This is an information item and no decision is required.
- 1.2 The council will deliver approximately £11 million of savings through changes to the workforce to contribute towards the Medium Term Financial Plan

(MTFP) target of £28 million of savings required to achieve a balanced budget for 2015/16.

- 1.3 The savings implemented were approved by Cabinet in December 2014 following a period of public consultation on proposals where it was required. £7.5 million of savings were the result of the Service Challenge process through which services identified savings, the remaining £3.5 million of workforce savings were identified through the Employment Options (EO) Savings Programme. This programme was launched by the Head of Paid Service in July 2014 to support the delivery of workforce savings by providing staff an opportunity to inform the council if there were interested in voluntary redundancy, early retirement, flexible working and flexible retirement to minimise the risk of compulsory redundancies in 2015/16 and inform future workforce planning.
- 1.4 The workforce savings programme has reduced the council's establishment by approximately 300 posts. The Equality Act 2010 places a legal requirement on the council to have 'due regard' to the impact changes have on staff with any of the protected characteristics listed under the Act and this has necessitated a full Equalities Impact Assessment of the programme.

2. ALTERNATIVE OPTIONS

- 2.1 This report provides an analysis and updates on actions taken by Officers in line with the matters delegated to them under the council's Constitution.
- 2.2 Alternative options were considered at any earlier stage during the budget setting process for 2015/16. This included public and workforce consultation processes to seek feedback and explore alternative options. The budget setting process also involves Cabinet, Overview and Scrutiny and Full Council.

3. PROCESS FOR CARRYING OUT ASSESSMENT

- 3.1 Workforce changes were assessed in a number of different ways and in three main stages as outlined below.
- 3.2 Initially, each individual savings proposal was equality assessed as part of the Service Challenge process. Any that impacted on members of the public were subject to a public consultation and all those that impacted on staff were required to have an equality assessment of the staffing implications provided to employees and Trade Unions as part of the formal consultation process. These identified the implications within each individual restructure in line with the guidance issued to managers. Managers were required to identify any adverse impacts arising from the proposal and identify ways to mitigate any negative impacts on the workforce.
- 3.3 An initial equalities assessment was undertaken at the start of the Employment Options (EO) programme which included an analysis of the council's workforce against which decisions and future changes could be

benchmarked. A second assessment analysed EO requests from staff and the potential impact of People Board decisions on the composition of the workforce.

- 3.4 A final assessment has now been undertaken which provides a corporate analysis of the impact of the changes with regards to:
- The composition of the workforce before the first redundancies took place in December 2014 compared to the end of September 2015;
 - The profile of those staff leaving due to VR/ER; and,
 - An analysis of the equalities impact of job matching in restructures based on the assimilation criteria set out in the council's guidance for managers on organisational change.
- 3.5 It should be noted that approximately 90% of the restructures planned had been delivered by the end of September 2015. The results of the Equality Assessment attached as Appendix 1 is based on these.

4. **MAIN FINDINGS**

4.1 The findings of the Equality Assessment are analysed and set out in the following categories:

- Overall change in the council's workforce
- Profile of staff leaving on ER/VR
- Analysis of job matching/assimilation outcomes.

4.2 Table 1 below highlights data for the most significant impacts identified in the assessments. These impacts are explored in further detail below.

Table 1: EQIA Summary of impacts arising from Workforce Savings 15/16

Protected Characteristic	% of workforce			ER/VR Leavers		Job matching/Assimilation outcomes	
	Overall	under 55	over 55	No.	%	Competitive Assimilation	No Claim
Potential Adverse Impact on ER/VR Leavers							
White	42.4	36	65	88	56.1	40.6	63.9
Christian	35.1	32	48	70	44.6	36.7	45
Black	21.1	21	22	51	32.5	25	41
Potential Positive Impact on Workforce							
Bangladeshi	23.1	28	4	9	5.7	23.8	12.6
Muslim	24.6	30	5	14	8.9	27	14.4
Potential Adverse Impact on Job Matching/Assimilation							
Disability	4.9	4.3	6.8	7	4.5	6.3	3.6
Women	64.2	51.3	12.9	105	66.9	61.7	75.7

Notes on Table 1

70% of leavers are aged over 55 (110/157)

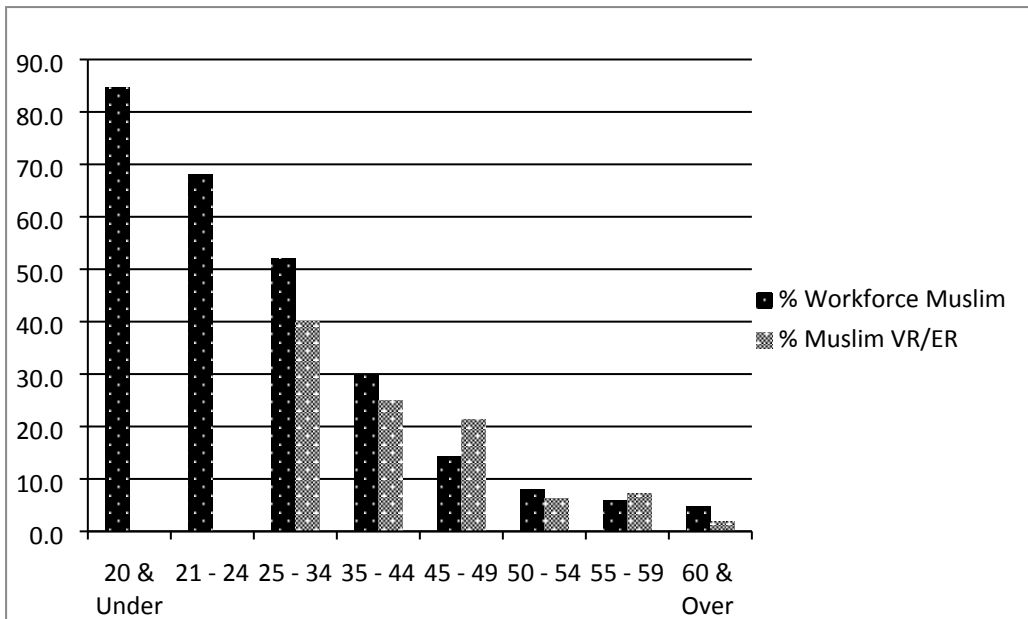
30 out of 51 Black staff are from Home Care (Home Care comprised 74 staff, of which 40 (53%) were Black)

Assimilations refer to outcome of Job Matching process included in the formal consultation with staff and Trade Unions. Competitive Assimilation means there are more staff matched to fewer jobs in the new structure. No Claim means an employee was not matched to any new post so would be considered for opportunities through ringfencing and redeployment.

4.3 Overall change in the council's workforce

- 4.3.1 There has been no significant change to the workforce between November 2014 and September 2015 with regards to age, gender or sexuality of employees. There have been small increases in the proportion of employees who are disabled, Muslim or Bangladeshi whilst the proportion of the workforce that is White or Christian has reduced slightly. With the exception of the increase in the percentage of disabled staff, these changes are mostly accounted for by marked change in the composition of the workforce above age 55 years.
- 4.3.2 The increase in the number of disabled staff from 5.2% to 6.2% is influenced by work to increase the number of staff providing equalities data. In November 2014 there were 225 employees who had declared a disability. This increased to 241 in September 2015. There was also a reduction in the number of employees declining to state whether they were disabled from 737 to 670 over the same period.
- 4.3.3 It should be noted that between the period November 2014 to September 2015 there was a total of 409 leavers including resignations and other dismissals as well VR/ER. Therefore the 157 employees that left on VR/ER are not the only changes to have taken place during this period but account for approximately 36% of those employees leaving the council's workforce. In addition, there were 276 new starters during this period which would also have had an impact on the overall composition of the workforce.
- 4.3.4 The age of the workforce has a direct relationship to the representation of employees of certain characteristics. VR/ER is a more attractive option for older workers because of their length of service which determines the value of their redundancy payments and the ability to access pension benefits from age 55. Tables 2 and 3 below show the higher representation of Muslim and Bangladeshi employees within younger age bands which explains why fewer employees from these groups opted for VR/ER and, therefore, why their overall representation in the workforce has increased slightly.
- 4.3.5 Other characteristics of workforce in relation to age bands are detailed in the analysis of those leaving on VR/ER below.

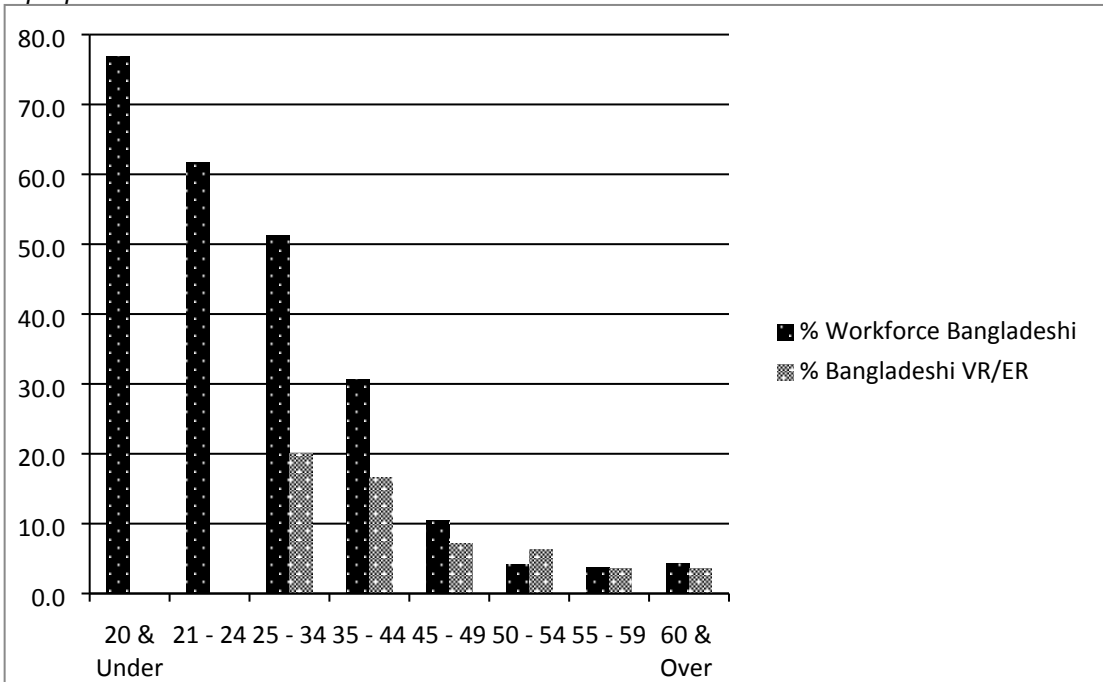
Table 2: *Profile of Muslim workers by age bands as a proportion of the workforce (Nov 2014) and of a proportion of ER/VR leavers*



Notes of Table 2

There are 13 employees (excluding apprentices and trainees) in the 20 and under age band, 11 of whom are Muslim. The remaining 2 declined to state their religion.

Table 3: Profile of Bangladeshi workers by age band as a proportion of the workforce and as a proportion of ER/VR leavers



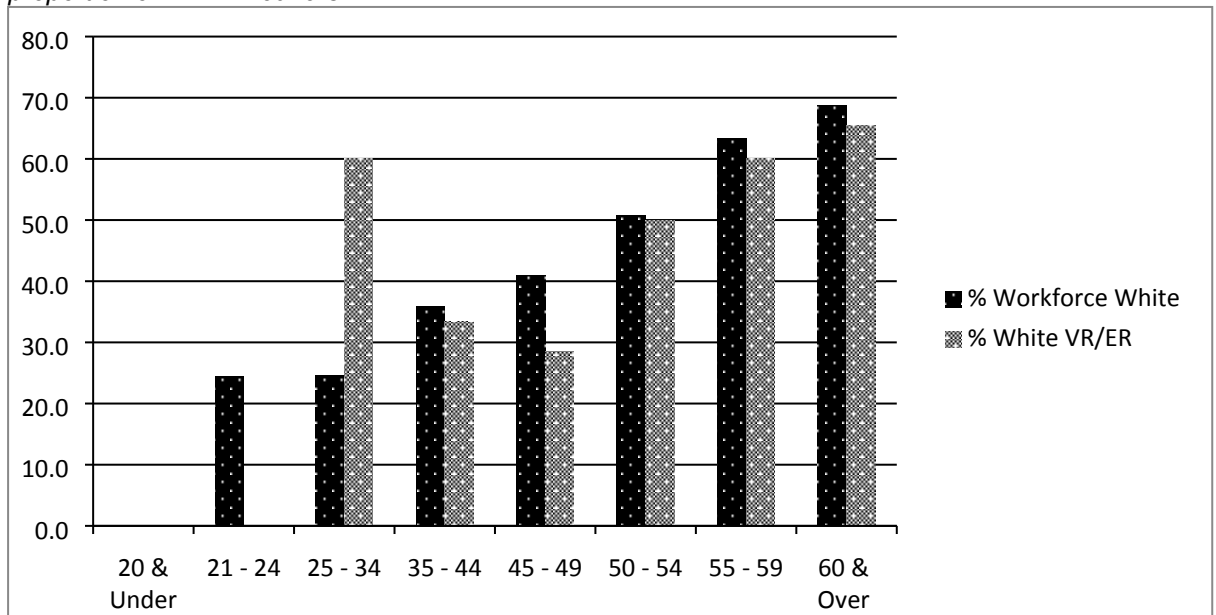
4.4 Profile of Staff Leaving on VR/ER

4.4.1 The proportion of staff that left on VR/ER who are aged over 55 was 70% compared to this group of staff making up 21.2% of the workforce in November 2014. This was a much greater proportion than expected, particularly when compared to the 39% of employees who were made redundant between 2010 and 2012 that were aged over 55 compared to 24%

of the workforce at that time. Those over 55 were more likely to apply for ER/VR due to the fact that they could access their pensions without actuarial reductions making it a far more attractive proposition than for those aged under 55.

4.4.2 There were also a high proportion of Christian, White and Black employees who left on VR/ER. The numbers of Christian and White employees leaving on VR/ER is due to their composition in the workforce aged over 55 being much higher than amongst younger age groups, 65% of employees aged over 55 are White compared to 36% under 55. This is shown in more detail in tables 4 and 5 below, and is in contrast to the age profile of Bangladeshi and Muslim workers set out above which is generally much younger and so explains the numbers of staff leaving on ER/VR from different groups.

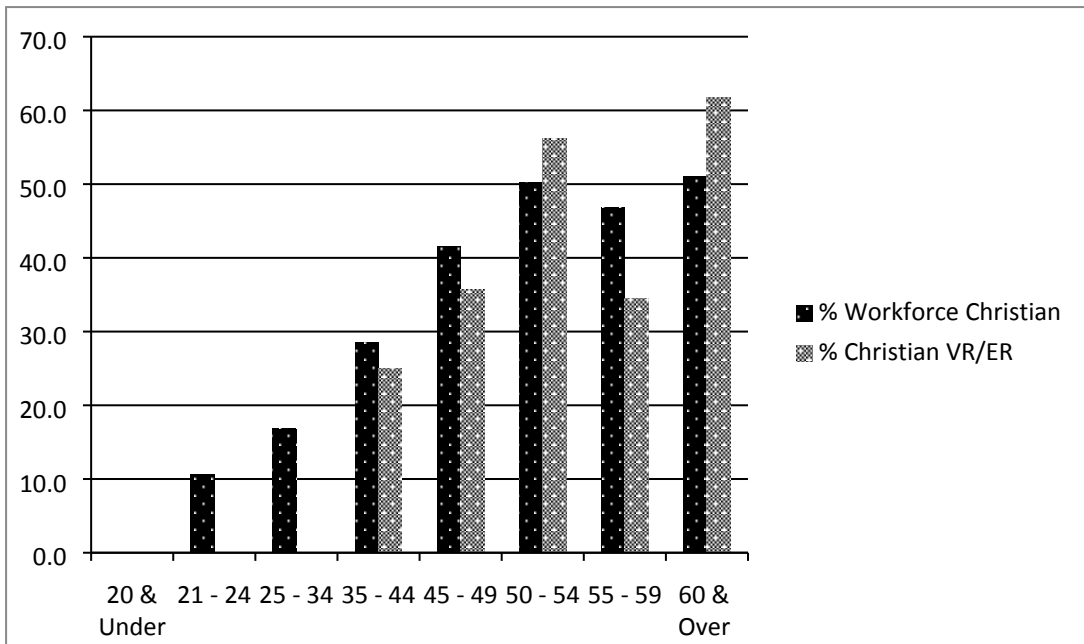
Table 4: Profile of white workers by age band as a proportion of the workforce and as a proportion of ER/VR leavers.



4.4.3 Table 4 above shows a general trend of White employees leaving being in line with their representation within the age bands of the workforce. The 60% of white leavers shown for the age group 25-34 posts is disproportionate however it relates to 3 out of 5 staff within this age band that left on VR/ER so it is not considered to be statistically significant.

4.4.4 A disproportionate number of employees leaving on VR/ER were Christian (44.6% compared to 35.1% of the workforce). The number of Christian employees leaving on VR/ER is attributed to the composition of the workforce that is aged over 55 which has 48% of employees that are Christian compared to 32% under the age of 55. However, the percentage of the workforce aged over 55 that is Muslim is 5% compared to 30% under age 55. The profile of Christian employees within each age band is set out in Table 5 below.

Table 5: Profile of Christian workers by age band as a proportion of the workforce and as a proportion of ER/VR leavers.

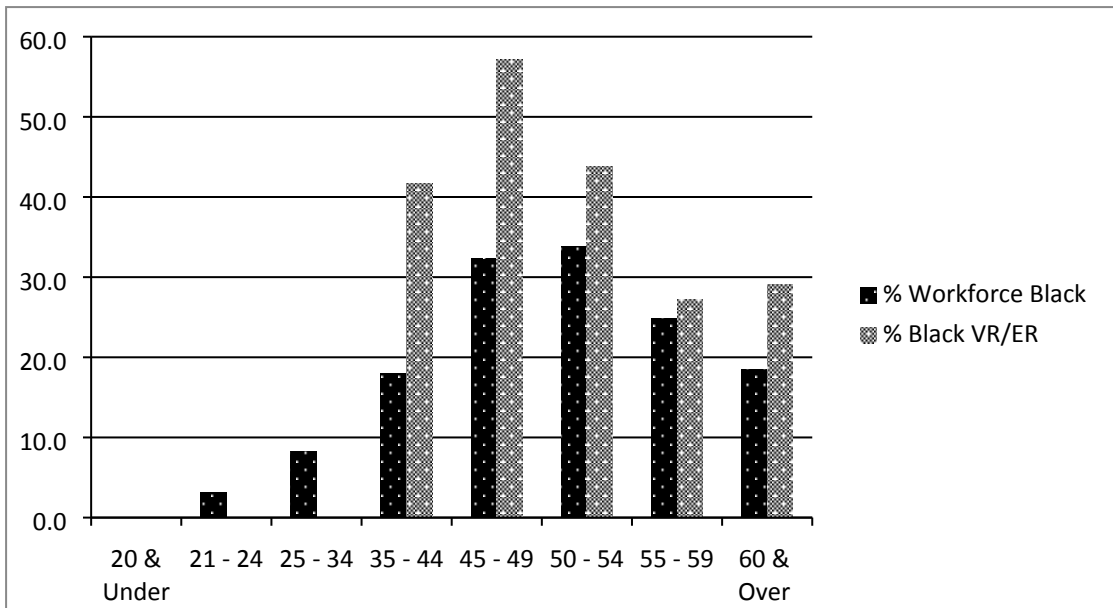


4.4.5 The assessment identified that a disproportionate number of employees leaving on VR/ER were White (56.1% compared to 42.4% of the workforce) and Black (32.5% compared to 21.1% of the workforce). As set out above, the number of White employees leaving on VR/ER is understandable considering the composition of the workforce that is aged over 55 which has 65% of employees that are White compared to 36% under the age of 55. However, the percentage of the workforce aged over 55 that is Black is 22% compared to 21% under age 55. The analysis of the Black staff that left on ER/VR shown in table 6 below confirms that a disproportionate number of staff left within each age group. Due to there being no direct relationship between the age of the workforce and the proportion of Black employees, a detailed analysis of staff in-scope of individual savings items was undertaken to account for the number of Black staff leaving.

4.4.6 This further analysis identified that 30 out of the 51 Black employees that left on VR/ER were previously employed in the In-house Home Care service which was closed to deliver a saving of £2 million. 20 of these employees were aged over 55. The disproportionate representation of Black workers amongst this group is therefore attributed to the large number of staff displaced from the closure of this service in which 53% were Black. This also accounts for why 41% of employees that had No Claim in the Job Matching were Black.

4.4.7 Therefore, the higher proportion of Black employees that left on VR/ER is due to the ethnicity of employees in the In-house Home Care service which was closed. In view of the significance of the closure of the Home Care service on the outcome of the assessment, the measures taken to reduce and where possible remove the potential adverse impacts is set out below in Section 5.

Table 6: Profile of Black workers by age band as a proportion of the workforce and as a proportion of ER/VR leavers.



4.4.8 There were no negative effects on lesbian, gay or bi-sexual employees but the proportion of staff who left on ER/VR and who declined to state their sexuality was high (35.1% compared to 24.9% of the workforce) and comparable to the profile of those requesting ER/VR where 31.3% failed to declare.

4.5 **Analysis of Job Matching/Assimilation Outcomes**

4.5.1 The closure of the In-house Home Care Service also impacted on the Job Matching and Assimilation Outcomes that took place in line with the council's Handling Organisational Change Procedure. This resulted in Black employees and Women being overrepresented in the group of employees that had No Claim on a job in a new structure.

4.5.2 53% of employees in the Home Care service were Black. This also accounts for why 41% of employees that had No Claim in the Job Matching were Black. 30 of the 51 Black employees in this group requested VR/ER and have now left the council.

4.5.3 75.7% of women (84 out of 111) had an assimilation outcome of No Claim compared to 63.9% of the workforce who are Women. Further analysis of the data shows that 54 out of the 84 Women who had this outcome were previously employed in the In-house Home Care service. Of this group, 42 requested VR/ER and have now left the council.

4.5.4 An area of concern is the disproportionate number of Disabled employees in Competitive Assimilation pools (6.3% compared to 4.9% of the workforce). Detailed analysis shows that 14 out of the 16 employees in this group were from just three reviews which were amongst the largest undertaken to deliver 2015/16 savings. Assimilation is based on the outcome of a matching exercise based on the content of job descriptions. All employees with the same job descriptions were given the same assimilation outcome. However, no compulsory redundancies have taken place amongst this group of

employees and in most situations VR/ER requests were accepted which enable employees to be slotted directly into new jobs. There were no adverse impacts for Disabled staff as a result of the savings programme.

5 ACTIONS TAKEN: IN-HOUSE HOME CARE SERVICE CLOSURE

- 5.1 Given the importance of the Home Care Service in explaining potential adverse impacts for Black and female employees, details of how the restructure was managed are set out below. It should be noted the Home Care Service Closure was the biggest individual saving proposal and contributed a saving of £2 million towards the council's MTFP.
- 5.2 The Service comprised 74 workers and contained a large proportion of Women (56 which is 75.7%) and Black staff (40 which is 53%). Of the 74 workers, 49 left on ER/VR, and 21 others were successfully redeployed into alternative roles. 4 left by reason of compulsory redundancy, following failed trial periods or because they could not be redeployed to alternative roles due to very specific working requirements which could not be matched.
- 5.3 Supportive was offered to all Home Care staff regardless of whether they wished to remain in employment with the council or not. A very successful Jobs Fair day was organised for Home Carers with stalls for different directorates to showcase job opportunities, as well as HR being in attendance to set out what options were available for them and what support the council could provide them. For those wanting to leave TH and work elsewhere, a wide range of training opportunities was offered, including CV writing, job application and interview training, as well as NVQs at Level 1 and 2 for Maths, English and ICT. More practical skills training was also offered to improve their prospects in the external jobs market and HR worked alongside Skills Match and the DWP to establish how they could support these workers.
- 5.4 To further mitigate against the potential for compulsory redundancy, a number of measures were taken to support the employees in this service. For staff wanting to remain working for Tower Hamlets, attempts were made straight away to find alternative work ahead of them receiving their statutory notice of redundancy. This was initially put in place for Home Carers and was in addition to the normal Redeployment Procedure. Following discussions with Trade Unions, the Head of Paid Service agreed the approach should be adopted for other staff who might be at risk of compulsory redundancy in other restructures. This is now referred to as the Provisional Redeployment period.
- 5.5 A range of job opportunities within two grades up or down of the Home Carers grade were identified across all council Directorates and staff were asked to express their preferences for the roles. Job Shadowing opportunities were offered so that staff could try the jobs before putting themselves forward for them. Interview training was given to support staff applying for internal roles too. Additionally, 12 new roles of Service User Liaison Officers were created specifically to monitor the external Home Care providers some of whom had service users transferred to them during the service closure. These

opportunities were ring fenced to the displaced Home Carers initially and a number were redeployed into these roles.

- 5.6 Over 95% of the Home Care staff either left on voluntary terms or were redeployed into other roles. The approach adopted during this particular consultation process has set a standard and identified good practice on which Officers can build for any future similar reviews.

6. LESSONS LEARNED

A number of actions were identified following completion of the Workforce Savings 2015/16 Equality Assessment. The actions identified and progress on them to date is as follows:

- An internal review of a sample of 6 EQIAs has been undertaken by Corporate Strategy and Equalities Team with HR. The findings were that the HR guidance to managers was clear and didn't need to be amended. Four out of the six sampled were completed in line with the guidance but two were considered to not have provided sufficient analysis of the potential impacts on staff of different protected characteristics and any action that may have been required to address them. Actions that were required did take place so the improvement required is to ensure they are correctly documented. Managers will be reminded of the required standards when undertaking an EQIA and HR will work with managers to ensure these are completed correctly.
- The council will continue to monitor change in the composition of the workforce as part of the on-going HR&WD service and performance reporting process. Future changes to the council's workforce required to deliver the MTFP will also be assessed and monitored in line with the processes set out in Section 3 above.
- The actions taken in relation to the Home Care closure will be published as a case study as an example of good practice, to show what actions can be taken to minimise the impact of a service closure on staff. It will also help identify how similar situations should be managed in the future.
- The assessment has been shared with the Trade Unions to inform the on-going consultation process. The findings have also been presented to People Board and Tower Hamlets Equalities Steering Group (THESG). It will also be shared with Staff Equality Forums for discussion at future meetings.

7. COMMENTS OF THE CHIEF FINANCE OFFICER

- 7.1 This report provides HR Committee with information on the equalities impact on the council's workforce as a result of the staffing changes that have been made as part of the 2015/16 savings programme.
- 7.2 HR Committee are asked to note the findings detailed within the report. There are no direct financial implications arising from this report.

8. LEGAL COMMENTS

- 8.1 This is a noting report in respect of the findings of the corporate equality assessment of the Workforce Savings 2015/16 and the actions arising from the assessment.
- 8.2 The council's Workforce to Reflect the Community strategy identifies a number of target groups against which employment targets are measured. As part of the equality assessment going forward the council will need to review the current target groups to ensure that they remain valid and, if not, to consider revision to the target groups and the steps necessary to increase their representation within the workforce. The council will also need to review the policy itself to ensure that it remains necessary to take action to improve the workforce balance once targets are achieved.
- 8.3 When progressing the workforce savings programme, the council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristics and those who do not (the public sector duty). Any equality analysis should be proportionate to proposed projects and their potential impacts. This, as already identified in the report, will have particular relevance in areas where a majority or significant number of the workforce affected share a protected characteristic, such as the Home Care Service and should limit the risk of claims of indirect discrimination.

9. ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 The report is exclusively about the equality impact assessment of the workforce savings programme. Therefore, any considerations are contained in the main body of the report.

10. BEST VALUE (BV) IMPLICATIONS

- 10.1 The equalities assessment was carried out in line with the council's statutory duty to have given due regard to equalities matters during the delivery of workforce changes needed to deliver the 2015/16 savings required in the Medium Term Financial Plan. The assessment has identified a high proportion (70%) of employees leaving between November 2014 and September 2015 due to VR/ER were over the age of 55 years. This will have additional financial costs due to the release of pension benefits and is significantly greater than the 39% of employees that left on VR/ER during previous large scale change during 2010 and 2012 who were aged over 55 years. However, the costs of VR/ER are within the sums allocated from reserves for this purpose.

11. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 11.1 No implications identified.

12. RISK MANAGEMENT IMPLICATIONS

- 12.1 Risk Management were involved in the design phase of the planning process to deliver workforce savings. Key risks were identified and were subject to review at different stages of delivery by Internal Audit. Whilst the risk of claims from individual employees leaving on VR/ER is addressed through requiring them to sign a settlement agreement, the council still needs to be able to evidence that it has complied with the legal duty to have given due regard to related equalities matters. The equalities assessment undertaken will assist by providing evidence of this.

13. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 13.1 No implications identified
-

Linked Reports, Appendices and Background Documents

Linked Reports

- Employment Options and Workforce Savings Update reports previously submitted to HR Committee on: 22 October 2014; 11 December 2014; 28 January 2015; and 25 March 2015, 1 July 2015.

Appendices

Appendix 1: Workforce Savings 2015/16 Equality Assessment

Local Government Act, 1972 Section 100D (As amended) List of "Background Papers" used in the preparation of this report

- None.

Officer contact details for documents:

- Not applicable.

APPENDIX 1: Workforce Savings 2015/16 Equality Assessment

Section 1: General Information

1a) Area savings required from

Workforce savings were delivered across all Directorates. The outcome of up to 90% of the savings programme is known so an equality assessment has been undertaken to identify any issues that need to be considered for 2016/17.

1b) Service area

All Services.

1c) Service Head

Simon Kilbey, lead Service Head.

1d) Name and role of the officer/s completing the EQIA

Mark Keeble, Senior HR&WD Business Partner, Project Lead
Syeed Uddin, Data Support Officer, Workforce Savings Project

Section 2: Information about changes

2a) In brief please explain the purposes of the changes implemented

The Medium Term Financial Plan (MTFP) required £28 million of savings to be delivered in order to achieve a balanced budget for 2015/16. £11 million of these savings required changes in the Council's workforce to reduce the establishment by 300 posts. This was in response to the Government's deficit reduction policies (austerity) which are set to continue during the course of the current Parliament. In July 2015, the Council's Cabinet was informed that the MTFP required a further £63 million between 2016/17 and 2018/19.

Approximately £7.5 million of the savings required from the workforce were the result of the Service Challenge process through which services identified savings. The savings implemented were approved by Cabinet in December 2014 following a period of public consultation on these proposals where it was required.

The remaining £3.5 million of workforce savings were identified through the Employment Options (EO) Savings Programme. This programme was launched by the Head of Paid Service in July 2014 to support the delivery of workforce savings by providing staff an opportunity to inform the Council if there were interested in voluntary redundancy, early retirement, flexible working and flexible retirement to minimise the risk of compulsory redundancies in 2015/16 and inform future workforce planning.

2b) How were the changes equality assessed?

Each individual savings proposal was equality assessed as part of the Service Challenge process. In addition, all savings that required restructures were required to have an equality assessment of the staffing implications provided to employees and Trade Unions as part of the formal consultation process. These identified the implications within each individual restructure in line with the guidance issued to managers.

An initial equalities assessment was undertaken at the start of the EO programme which included an analysis of the council's workforce against which decisions and future changes could be benchmarked. A second assessment analysed requests from staff and the impact of People Board decisions on the workforce.

This third and final assessment provides a corporate analysis of the impact of the changes with regards to:

- The composition of the workforce before the first redundancies took place in December 2014 compared to the end of September 2015;
- The profile of those staff leaving due to VR/ER; and,
- An analysis of the equalities impact of job matching in restructures based on the assimilation criteria set out in the council's guidance for managers on organisational change.

It should be noted that employees aged 55 and over were more likely to request voluntary redundancy in order to access their pension benefits under early retirement provisions of the LGPS. Employees in this age group are more likely to be White, Christian or Disabled because of the increased representation of these groups above this age. This has a significant impact on the outcomes for staff with these protected characteristics.

2c) What are the main findings?

i) Overall Change in the Council's Workforce

There has been no significant change to the workforce between November 2014 and September 2015 with regards to age, gender or sexuality of employees. There have been small increases in the proportion of employees who are disabled, Muslim or Bangladeshi whilst the proportion of the workforce that is White or Christian has reduced slightly. With the exception of the increase in the percentage of disabled staff, these changes are mostly accounted for by marked change in the composition of the workforce above age 55 years which is referred to in 2b) above.

The cumulative impact of decisions to date on Workforce to Reflect the Community Indicators is detailed in Table 1 below. The predicted impact listed for October 2014 attempted to indicate what the outcome of the EO decisions would be if everyone in scope of a restructure was allowed to leave on VR/ER. In reality this is not going to happen but it provided a means to try and identify a direction of travel. With the exception of disability, the predicted direction of travel was correct although cannot be wholly attributed to the workforce savings programme.

Table 1: Workforce to Reflect the Community Performance Indicators November 2014 and October 2015

Workforce to Reflect the Community Performance Indicator*	Performance November 2014 (%)	Performance September 2015 (%)	Change Predicted Oct 2014 (%)	Actual Change
% of senior managers grade LPO7 and above that are BME	25.6	26.5	↑	↑
% of senior managers grade LPO7 and above that are Disabled	5.3	8.4	↑	↑
% of senior managers grade LPO7 and above that are Female	49.2	50.7	↑	↑
% of all employees that are Bangladeshi*	22.8	25.4	↑	↑
% of all employees that are BME	53.1	53.9	↑	↑
% of all employees that are Disabled*	5.2	6.2	↓	↑

**Notes - the Council's workforce diversity indicators are calculated based on guidance published by the Audit Commission for Best Value Performance Indicators. Therefore, employees with multiple posts (jobs) are only counted once and excludes some temporary employees e.g. those with short contracts. Other figures quoting the size of the workforce in other documents will be higher as they are based on the number of posts. The data used to analyse the equalities impact of Employment Options in Section 3 provides a breakdown of all employees equalities monitoring responses. For disability this includes those employees who have failed to respond to the question on whether they are disabled.*

The above shows the overall impact on workforce to reflect the community indicators would be positive in 5 out of 6 areas. The reduction in the % of the workforce that is disabled is a result of 23 employees who declared a disability that could leave the Council. The reasons for this and the impact on other aspects of the council's workforce are explored in Section 3 below.

It should be noted that between the period November 2014 to September 2015 there were total of 409 leavers including resignations and other dismissals as well VR/ER. Therefore the 157 employees that left on VR/ER are not the only changes to have taken place during this period but account for approximately 40% of those employees leaving in the Council's workforce. In addition, there were 276 new starters during this period which would have had an impact on the overall composition of the workforce.

ii) Profile of Staff Leaving on VR/ER

The proportion of staff that left on VR/ER who are aged over 55 was 70% compared to this group of staff making up 21.2% of the workforce in November 2014. This was a much greater proportion than expected, particularly when compared to the 39% of employees who were made redundant between 2010 and 2012 that were aged over 55 compared to 24% of the workforce at that time.

There were also a high proportion of Christian, White and Black employees who left on VR/ER. The numbers of Christian and White employees leaving on VR/ER is due to their composition in the workforce aged over 55 being much higher than amongst younger age groups. This is detailed in Sections 3.2 and 3.3 below.

The higher proportion of Black employees that left on VR/ER is due to the ethnicity of employees in the In-house Home Care service which was closed. This service also contained a large number of Women and was the biggest individual saving (£2 million) that impacted on the workforce. To mitigate against the potential for compulsory redundancy, a number of measures were taken to support the employees in this service.

The measures taken to support staff were employed regardless of whether they wished to remain in employment or not. A very successful Jobs Fair day was organised for Homecarers with stalls for different directorates to showcase job opportunities, as well

as HR being in attendance to set out what options were available for them and what support the Council could provide them. For those wanting to leave TH and work elsewhere, a wide range of training opportunities was offered, including CV writing, job application and interview training, as well as NVQs at Level 1 and 2 for Maths, English and ICT. More practical skills training was also offered to improve their prospects in the external jobs market and HR worked alongside Skills Match and the DWP to establish how they could support these workers.

For staff wanting to remain working for Tower Hamlets, measures were put in place straight away to find alternative work ahead of them receiving their statutory notice of redundancy. This was arranged specially for Homecarers initially and was outside of the agreed Redeployment Procedure and was so successful that it has been adopted for other staff who might be at risk of compulsory redundancy in other restructures. A range of job opportunities within two grades up or down of the Homecarers grade were identified across all Council Directorates and staff were asked to express their preferences for the roles. Job Shadowing opportunities were offered so that staff could try the jobs before putting themselves forward for them. Interview training was given to support staff applying for internal roles too. Additionally, 12 new roles of Service User Liaison Officers were created specifically to monitor the external homecare providers some of whom had service users transferred to them during the service closure. These opportunities were ringfenced to the displaced Homecarers initially and a number were redeployed into these roles.

iii) Analysis of Job Matching/Assimilation Outcomes

The closure of the In-house Home Care Service also impacted on the Job Matching and Assimilation Outcomes that took place in line with the Council's Handling Organisational Change Procedure. This resulted in Black employees and Women being overrepresented in the group of employees that had No Claim on a job in a new structure. This is because the service closed so additional efforts were made to support these employees to find work as set out in 2c) ii) above. The analysis of data in Sections 3.2 and 3.5 details how this impacted on this aspect of the assessment.

There were also a higher proportion of disabled employees that had an outcome of Competitive Assimilation. This has been attributed to three of the larger restructures, which included a total of 324 employees between them that has large numbers of employees who had declared a disability. There has been not adverse outcome for this group. Analysis of the relevant data is in Section 3.4 below.

Section 3: Data and evidence

3.1 Age – what was the effect of the workforce changes on different age groups using the prompts above?

Age Banding	20 & Under	21 - 24	25 - 34	35 - 44	45 - 49	50 - 54	55 - 59	60 & Over	Grand Total
Composition of Workforce									
Workforce as at Nov 2014	13	94	987	1170	643	742	609	374	4632
%	0.3	2	21.3	25.3	13.9	16	13.1	8.1	
Workforce as at Sept 2015	9	92	942	1135	598	721	542	340	4379
%	0.2	2.1	21.5	25.9	13.6	16.5	12.4	7.8	
Analysis of Employees Leaving on VR/ER									
VRER exits agreed			5	12	14	16	55	55	157
%			3.2	7.7	8.9	10.2	35	35	
Job Matching/Assimilation Outcomes Under Handling Organisational Change Procedure									
All Staff in scope of restructure	3	34	286	266	161	193	178	110	1231
%	0.2	2.8	23.2	21.6	13.1	15.7	14.5	8.9	
Competitive		5	60	62	29	40	39	21	256
%		2	23.4	24.2	11.3	15.6	15.2	8.2	
Direct	3	21	159	115	66	65	62	31	522
%	0.6	4	30.5	22	12.6	12.5	11.9	5.9	
No Claim		1	8	14	14	20	30	24	111
%		0.9	7.2	12.6	12.6	18	27	21.6	
No Change		7	59	75	52	68	47	34	342
%		2	17.3	21.9	15.2	19.9	13.7	9.9	
Profile of EO Requests			30	100	72	118	247	223	790
%			3.8	12.7	9.1	14.9	31.3	28.2	

Did the changes have an adverse impact on specific age groups?

There has been no significant change to the composition of the workforce in terms of age. There have been small changes in every age band since November 2014.

A disproportionate number of employees leaving on VR/ER are aged 55 and over. 110 out of 157 (70%) were aged over 55 years. Of these staff, 97 were members of the Local Government Pension Scheme so requesting voluntary redundancy was a more attractive option because they were also able to access the accrued pension benefits without an actuarial reduction.

The 70% of leavers in this age group is three and a half times their representation in the workforce in November 2014. For comparison, between 2010 and 2012 when 329 staff left due to redundancy during the LEAN programme, 39% were aged 55 or over compared to 24% of the workforce at that time. Whilst this will have been a clear benefit to the employees in question, the high proportion of leavers that are entitled to early payment of pension benefits will have financial cost for the Council.

There is a strong correlation between age and other protected characteristics which details in other parts of Section 3 below.

3.2 Ethnicity – what was the effect of the workforce savings on different racial groups?

Ethnicity	Asian	Bangladeshi	Black	Declined				White	Grand Total
				to state	Mixed	Other	Somali		
Composition of Workforce									
Workforce as at Nov 2014	293	1070	975	123	112	42	51	1966	4632
%	6.3	23.1	21.1	2.7	2.4	0.9	1.1	42.4	
Workforce as at Sept 2015	280	1052	896	130	114	41	53	1813	4379
%	6.4	24	20.5	3	2.6	0.9	1.2	41.4	
Analysis of Employees Leaving on VR/ER									
VRER exits agreed	4	9	51	2	2		1	88	157
%	2.5	5.7	32.5	1.3	1.3		0.6	56.1	
Job Matching/Assimilation Outcomes Under Handling Organisational Change Procedure									
All Staff in scope of restructure	77	282	259	13	30	11	8	551	1231
%	6.3	22.9	21	1.1	2.4	0.9	0.6	44.8	
Competitive	14	61	64	5	6	2		104	256
%	5.5	23.8	25	2	2.3	0.8		40.6	
Direct	40	138	66	5	16	6	1	250	522
%	7.7	26.4	12.6	1	3.1	1.1	0.2	47.9	
No Claim	2	14	46	1	2		1	45	111
%	1.8	12.6	41.4	0.9	1.8		0.9	40.5	
No Change	21	69	83	2	6	3	6	152	342
%	6.1	20.2	24.3	0.6	1.8	0.9	1.8	44.4	
Profile of EO Requests	35	74	175	21	13	4	6	462	790
%	4.4	9.4	22.2	2.7	1.5	0.5	0.8	58.5	

Did the changes have an adverse impact on specific ethnic groups?

The largest changes in the ethnicity of the workforce since November 2014 have been a reduction of White employees (1%) and Black employees (0.6%) whilst there has been an increase in Bangladeshi employees (1%). This is consistent with the representation of these ethnic groups amongst the employees leaving on VR/ER.

A disproportionate number of employees leaving on VR/ER were White (56.1% compared to 42.4% of the workforce) and Black (32.5% compared to 21.1% of the workforce). The number of White employees leaving on VR/ER is understandable considering the composition of the workforce that is aged over 55 which has 65% of employees that are White compared to 36% under the age of 55. However, the percentage of the workforce aged over 55 that is Black is 22% compared to 21% under age 55.

Further analysis of the data shows that 30 out of the 51 Black employees that left on VR/ER were previously employed in the In-house Home Care service which was closed to deliver a saving of £2 million. 20 of these employees were aged over 55. The disproportionate representation of Black employees amongst this group is therefore attributed to the large number of employees displaced from the closure of this service in which 55% of employees in the service were Black. This also accounts for why 41% of employees that had No Claim in the Job Matching were Black. Actions taken to mitigate the impact on employees displaced by the closure of the In-house Home Care Service are set out in Section 2 above.

Only 5.7% of employees taking VR/ER were Bangladeshi compared to 23.1% of the workforce in November 2014. This is because Bangladeshi employees form a larger part of younger age groups in the workforce (28% of the workforce aged under 55 years compared to 4% over age 55) so redundancy is a less attractive option.

3.3 Religion and Belief – what was the effect of the workforce changes on different religious and faith groups

Religion	Declined			No			Other	Sikh	Grand Total	
	Buddhist	Christian	to State	Hindu	Jewish	Muslim				religion
Composition of Workforce										
Workforce as at Nov 2014	22	1626	909	80	25	1141	607	186	36	4632
%	0.5	35.1	19.6	1.7	0.5	24.6	13.1	4.1	0.8	
Workforce as at Sept 2015	22	1521	824	76	22	1120	599	164	31	4379
%	0.5	34.7	18.8	1.7	0.5	25.6	13.7	3.8	0.7	
Analysis of Employees Leaving on VR/ER										
VRER exits agreed	1	70	45		1	14	19	7		157
%	0.6	44.6	28.7		0.6	8.9	12.1	4.5		
Job Matching/Assimilation Outcomes Under Handling Organisational Change Procedure										
All Staff in scope of restructure	4	453	228	18	10	301	151	53	13	1231
%	0.3	36.8	18.5	1.5	0.8	24.5	12.3	4.3	1.1	
Competitive	1	94	47	1	1	69	26	15	2	256
%	0.4	36.7	18.4	0.4	0.4	27	10.2	5.9	0.8	
Direct	3	179	88	12	6	133	74	22	5	522
%	0.6	34.3	16.9	2.3	1.1	25.5	14.2	4.2	1	
No Claim		50	26		1	16	11	6	1	111
%		45	23.4		0.9	14.4	9.9	5.4	0.9	
No Change		130	67	5	2	83	40	10	5	342
%		38	19.6	1.5	0.6	24.3	11.7	2.9	1.5	
Profile of EO Requests	6	346	191	9	4	80	107	40	7	790
%	0.8	43.8	24.2	1.1	0.5	10.1	13.5	5.1	0.9	

Did the changes in your policy/service have an adverse impact on people who practice a religion or belief?

The greatest changes in the religion/belief of the workforce since November 2014 have been a reduction of Christian employees (0.4%) and an increase in Muslim employees (1%). This is consistent with the representation of these groups amongst the employees leaving on VR/ER.

A disproportionate number of employees leaving on VR/ER were Christian (44.6% compared to 35.1% of the workforce). The number of Christian employees leaving on VR/ER is attributed to the composition of the workforce that is aged over 55 which has 48% of employees that are Christian compared to 32% under the age of 55. However, the percentage of the workforce aged over 55 that is Muslim is 5% compared to 30% under age 55.

3.4 Disability – what was the effect of the workforce savings on different *disability* groups?

Disability	Declined to State			Grand Total
	No	Yes		
Composition of Workforce				
Workforce as at Nov 2014	737	3670	225	4632
%	15.9	79.2	4.9	
Workforce as at Sept 2015	670	3468	241	4379
%	15.3	79.2	5.5	
Analysis of Employees Leaving on VR/ER				
VRER exits agreed	27	123	7	157
%	17.2	78.3	4.5	
Job Matching/Assimilation Outcomes Under Handling Organisational Change Procedure				
All Staff in scope of restructure	172	999	60	1231
%	14	81.2	4.9	
Competitive	38	202	16	256
%	14.8	78.9	6.3	
Direct	59	438	25	522
%	11.3	83.9	4.8	
No Claim	17	90	4	111
%	15.3	81.1	3.6	
No Change	58	269	15	342
%	17	78.7	4.4	
Profile of EO Requests	126	600	64	790
%	16	75.9	8.1	

Did the change the change have an adverse impact on disabled people?

Since November 2014 there has been an increase in the proportion of the workforce that is disabled from 4.9% to 5.5%.

It had been expected that the impact of employees leaving on VR/ER would lead to a small reduction on the number of disabled employees. This is because 6.8% of the workforce aged over 55 years is disabled compared to 4.3% below the age of 55 years. This is because of the higher incidence of disability that occurs as employees get older. New starters since this date and capturing data from staff equalities audits would also have had an impact.

The proportion of Disabled employees leaving on VR/ER was 4.5% which is below the 4.9% of the workforce in November 2014 that was disabled.

An area of concern is the disproportionate number of Disabled employees in Competitive Assimilation pools (6.3% compared to 4.9% of the workforce). Details analysis shows that 14 out of the 16 employees in this group were from just three reviews which were amongst the largest undertaken to deliver 2015/16 savings. Assimilation is based on the outcome of a matching exercise based on the content of job descriptions. All employees with the same job descriptions were given the same assimilation outcome. However, no compulsory redundancies have taken place amongst this group of employees and in most situations VR/ER requests that were accepted which enable employees to be slotted directly into new jobs.

3.5 Gender – what was the effect of the workforce savings on different gender groups (inc Trans) groups?

Gender	Female	Male	Grand Total
Composition of Workforce			
Workforce as at Nov 2014	2962	1670	4632
%	63.9	36.1	
Workforce as at Sept 2015	2812	1567	4379
%	64.2	35.8	
Analysis of Employees Leaving on VR/ER			
VRER exits agreed	105	52	157
%	66.9	33.1	
Job Matching/Assimilation Outcomes Under Handling Organisational Change Procedure			
All Staff in scope of restructure	674	557	1231
%	54.8	45.2	
Competitive	158	98	256
%	61.7	38.3	
Direct	294	228	522
%	56.3	43.7	
No Claim	84	27	111
%	75.7	24.3	
No Change	138	204	342
%	40.4	59.6	
Profile of EO Requests	507	283	790
%	64.2	35.8	

Did the changes have an adverse impact on men or women?

There has been not significant change to number of Men and Women in the workforce since November 2014.

The only area of concern is the disproportionate number of Women 75.7% (84 out of 111) who had an assimilation outcome of No Claim compared to 63.9% of the workforce who are Women. Further analysis of the data shows that 54 out of the 84 Women who had this outcome were previously employed in the In-house Home Care service which was closed to deliver a saving of £2 million. Of this group, 42 requested VR/ER and have now left the Council. Actions taken to mitigate the impact on employees displaced by the closure of the In-house Home Care Service are set out in Section 2 above.

3.6 Sexual Orientation – what was the effect of workforce savings on members of the LGB community?

Sexuality	Decline to					Grand Total
	Bisexual	State	Gay	Heterosexual	Lesbian	
Composition of Workforce						
Workforce as at Nov 2014	49	1155	67	3316	45	4632
%	1.1	24.9	1.4	71.6	1	
Workforce as at Sept 2015	50	1031	67	3193	38	4379
%	1.1	23.6	1.5	72.9	0.9	
Analysis of Employees Leaving on VR/ER						
VRER exits agreed	1	55	3	97	1	157
%	0.6	35.1	1.9	61.8	0.6	
Job Matching/Assimilation Outcomes Under Handling Organisational Change Procedure						
All Staff in scope of restructure	13	283	14	914	7	1231
%	1.1	23	1.1	74.2	0.6	
Competitive	2	48	7	199		256
%	0.8	18.8	2.7	77.7		
Direct	4	105	4	405	4	522
%	0.8	20.1	0.8	77.6	0.8	
No Claim	2	35		74		111
%	1.8	31.5		66.7		
No Change	5	95	3	236	3	342
%	1.5	27.8	0.9	69	0.9	
Profile of EO Requests	2	247	17	519	5	790
%	0.2	31.3	2.2	65.7	0.6	

Did the changes have an adverse impact on lesbian, gay or bisexual people?

No adverse impacts have been identified.

Section 4: Equality Impact Assessment Action Plan

The table below list actions to address any future potential for adverse impacts to occur and ensure lessons learned are implemented.

Actions	Please how the actions will improve practice and reduce the potential for adverse impact in the future
Review assessment to identify any changes required to the Handling Organisational Change Procedure	The assessment will be shared with the Employee Relations Manager, Senior HR Business Partners and Trade Unions to identify if any changes are required to the Council's procedures and management guidance.
Continue to monitor change in composition of the Council's workforce.	This action will take place as part of the on-going HR&WD service and performance reporting process. Future changes to the Council's workforce required to deliver the MTFP will also be assessed and monitored.
Publish case study of In-house Home Care to provide an example of best practice	This will provide an opportunity to demonstrate how the impact of a service closure on employees can be minimised. Producing a case study could also help identify improvements to how similar situations should be managed in the future.
Internal review and challenge of EQIA's produced for individual restructures with existing guidance updated as appropriate.	Each formal consultation process with employees and Trade Unions has an EQIA produced. The quality of these assessments is an important part of the consultation process
Share findings of EQIA	Provide copy to Trade Unions to inform on-going consultation process. Provide copy with Staff Equality Forums for discussion.

Section 5: Future Review and Monitoring

Please explain how and when the equality impact of further changes to the workforce will be reviewed and monitored as part of the savings programme.

Equalities assessments are undertaken at different stages through the savings and budget setting process. This includes:

- initial screening of the impact on employees
- an equalities assessment undertaken for each formal consultation process with employees and Trade Unions
- a follow up assessment to confirm the actual impact as each new structure is implemented
- a strategic assessment of the all the changes to the workforce

In addition, there is on-going monitoring against targets and regular reports monitoring the composition of the workforce including new starters and leavers.

There will continue to be discussions and consultation with employees affected by the Council's need to deliver future savings in line with the MTFP and also with the Trade Unions.

Agenda Item 4.3

Non-Executive Report of the: HR Committee 21 st January 2016	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director Resources	Classification: Unrestricted
Localism Act 2011 – Pay Policy Statement 2016/17	

Originating Officer(s)	Simon Kilbey – Service Head HR&WD
Wards affected	All wards

Summary

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

The council's first pay policy statement was adopted for 2012/13 and subsequent pay policy statements were agreed for 2013/14, 2014/15 and 2015/16 (Appendix 2). The statement for 2016/17 (Appendix 1) should be approved and adopted by 31st March 2015 to enable it to be published as soon as is practical in the new financial year.

The Local Government Transparency Code 2015 (Appendix 3) includes further guidance regarding the calculation of the pay multiple, which forms part of the pay policy statement. No further supplementary guidance has been published in relation to the 2016/17 pay policy statement.

No supplementary guidance specifically on the pay policy was published in 2014 or 2015 and, to date, no specific supplementary guidance has been published in relation to the 2016/17 pay policy statement. Should guidance be published after the 2016/17 pay policy has been considered by the HR Committee and/or Full Council, which requires minor amendments to be made to the pay policy statement, it is proposed that the HR Committee delegate the authority to make such amendments to the Chief Executive after consultation with the Service Head (HR and WD), the Chair of the HR Committee and the Monitoring Officer. Should any fundamental changes be required, the pay policy statement will be sent back to the HR Committee for consideration.

The draft 2016/17 pay policy statement is included at Appendix 1 for consideration by the HR Committee. The proposed statement has to be approved and adopted by the end of March 2016. The meeting of Full Council, during which the statement will be considered for adoption, will be held on 3rd March 2016.

The pay policy statement sets out the council's current policies and practice in relation to pay for all parts of the workforce, 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 8 – Legal comments.

Recommendations:

HR Committee is recommended to:-

Consider the draft pay policy statement, proposing any changes to be made and, subject to such changes, recommend that Full Council agrees the draft statement.

Agree that if any minor changes to the 2016/17 pay policy statement are required as a result of future government guidance, these amendments be delegated to the Chief Executive, after consultation with the Service Head (HR and WD), the Chair of the HR Committee and the Monitoring Officer. Should any fundamental changes be required, the pay policy statement will be sent back to the HR Committee for consideration.

1. REASONS FOR THE DECISIONS

- 1.1 The Localism Act 2011 received Royal Assent on 15 November 2011. In addition to the Act, 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 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.
- 1.2 The Act's intention is to bring together the strands of increasing accountability, transparency and fairness, with regards to pay.
- 1.3 The provisions of the legislation required Local Authorities to adopt and publish a pay policy statement for 2011/12 and 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 is a legislative requirement, there are no alternative options.

3. DETAILS OF REPORT

- 3.1 The pay policy statement must set out the authority's policies for the financial year relating to the remuneration of its officers. This 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, but 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 pay policy statement takes into account 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' and the statement details the council's current arrangements; using the definitions contained in the Act and associated guidance. The Act also requires the council to have regard to statutory guidance entitled 'Openness and accountability in local pay' under the Transparency Agenda. The original guidance was published in 2012, with updated guidance published in February 2013, which stated that the pay policy statement should 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 defines senior executives, and in this statement they are the Chief Executive/Head of Paid Service, Corporate Directors, the Monitoring Officer, Directors and Service Heads.
- 3.5 The draft 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, but 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 mid-point between the highest and lowest salaries). This multiple is quoted in the draft statement. The ratio last year was 1:5.91 and this year is 1:6.7. This change is due to the appointment of a Chief Executive in place of a Head of Paid Service.
- 3.7 For 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 was included. This ratio last year was 1:9.92 and this year is 1:10.87. This allows greater comparison with other boroughs that provide this ratio. This year's change is again due to the appointment of a Chief Executive in place of a Head of Paid Service.
- 3.8 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. If this definition is applied, the ratio is 1:6.7. This is the same as the figure already used. (Please note that this figure will be updated in March, when a full tax year can be taken into consideration, to ensure it is accurate and up to date).
- 3.9 When considering the 2015-16 pay policy in January 2015, HR Committee asked about schools and apprentices information in relation to the pay multiples. Apprentices and schools' staff are not included in the pay multiple calculations. Apprentices are excluded due to the fact the multiples apply to employees only and each school can adopt their own pay policy and therefore their staff would be covered by this. The Pay Policy is clear that the pay multiples only apply to the non-schools workforce.
- 3.10 Once other councils have published their pay policies, there will be a further report to HR Committee including benchmarking information as to how the council's pay multiples compare to those of other London boroughs.

London Living Wage

- 3.11 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."

- 3.12 The London Living Wage (LLW) increases annually and the latest rise was announced on 2nd November 2015. The LLW rate increased from £9.15 to £9.40 per hour.
- 3.13 The council has 6 months in which to apply the new LLW rates, i.e. by 2nd May 2016.
- 3.14 The lowest paid staff in the council are currently paid on spinal column point 8, which equates to £9.35 per hour, just £0.05 per hour below the new LLW rate of £9.40 per hour.
- 3.15 The Trade Union Side have submitted their national pay claim for 2016, which asks for £1 an hour on each spinal column point. There has been no response from the employers' side to this request as yet, but it is fair to assume, based on past awards, that any pay award will be no higher than 1%.
- 3.16 In order for the current spinal column point 8 to reach the new LLW rate, this would only require a 0.6% pay rise. Given this, the council will make interim payments to those staff on spinal column point 8 from 1st April 2016 to ensure they receive £9.40 per hour. Once any pay award is agreed, this will be applied, increasing the spinal point to above the LLW rate. Any increases will be backdated as appropriate.
- 3.17 In the event that no pay award is agreed for 2016, those staff would be moved up to spinal column point 9.
- 3.18 The Pay Policy 2016-17 has amended wording in section 7 - lowest paid employees, which reads as follows: -

The council's lowest paid London based employees are those who are paid on the lowest scale point above the level of London Living Wage.

The council's lowest paid non London based employees are those who are paid on the lowest scale point above the level of National Living Wage.

The council's Apprentices are paid at the London Living Wage rate.

The council will implement the increase to the London Living Wage on 1st April 2016, by temporarily paying the London Living Wage to employees on Scale point 8, until a national pay agreement is implemented, at which point the increased salary will be backdated. This will ensure that all London based staff continue to be paid at the scale point above the London Living Wage.

In the event that no pay award is agreed for 2016, those staff will be moved up to spinal column point 9.

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.

Chief Executive Returning Officer Fees

- 3.19 The pay policy has been amended to reflect that with the appointment of a Chief Executive, there has been a change to the payment of Returning Officer Fees to this post.
- 3.20 Returning Officer fees will be payable to the Chief Executive in respect of elections or referenda where fees are not funded by the council. This means that no fees will be paid for local elections or referenda which are funded by the council but, the Returning Officer will receive fees for all elections and referenda externally funded. This is reflected in section 5 of the pay policy – Senior Officer Remuneration.

Chief Officer Job Evaluation

- 3.21 The Greater London Provisional council (GLPC) is considering commissioning the London Councils Heads of HR network to lead on an initial review of the current grading arrangements to see if there are any opportunities to improve the London pay framework. If agreed, the intention would be to report back to GLPC Employers' Side at the next meeting on 17 March 2016. The results of any review will be used to inform any changes the council may make to its job evaluation process for Chief Officers.

Future Legislative Changes

Change expected 1st April 2016 - Repayment of Public Sector Exit Payments

- 3.22 The Small Business, Enterprise and Employment Act 2015 became law on 26th March 2015. The Act includes provision for secondary legislation in relation to the repayment of public sector exit payments. Draft Repayment of Public Sector Exit Payments Regulations 2015 have been created, which are due to come into force on 1st April 2016.
- 3.23 The Regulations will mean that individuals earning more than £100,000, who receive an exit payment and then take a new job in the same part of the public sector within a year, either on or off payroll, will have to repay, to the employer who made the payment, all or part of their exit payment.
- 3.24 The separate report on Repayment of Public Sector Exit Payments elsewhere on this agenda should be read alongside this report.
- 3.25 As a result of the regulations, a separate paragraph has been included in the Pay Policy 2016-17, under section 12.5 – re-employment following redundancy/early retirement, to cover the requirement in the regulations as follows: -

“Any employee or office holder who earns £100,000 per annum will be required, by the Repayment of Public Sector Exit Payment Regulations 2016, to repay in full or part (as set out in the Regulations) any exit payment they

receive should they return to a similar role in another local authority or other local government body (see the Regulations for a full list), either on or off payroll within 12 months. This requirement can only be waived in exceptional circumstances and by a decision of Full Council.”

Change expected 6th April 2016 – Changes to Tax Treatment of Pensions

- 3.26 In the summer budget, the Government announced it will reduce the Lifetime Allowance for pension contributions from £1.25 million to £1 million from 6th April 2016.
- 3.27 To ensure the change is not retrospective, there will be transitional protection for pension rights already over £1 million. The Lifetime Allowance will, from 6th April 2018, be indexed annually in line with the Consumer Price Index (CPI).
- 3.28 This change could have an impact on senior managers. Concerns have been expressed that the impact of the changes might mean there is some reluctance to apply for more senior roles.
- 3.29 Also in April 2016, the Government will restrict the benefits of pensioners' tax relief for those with incomes above £150k (including pension contributions), by tapering away their Annual Allowance to a maximum of £10k. Affected employees will see the loss of tax relief reduce their take home pay.

Change expected within 2016 – Public Sector Exit Payment Cap

- 3.30 At present there is no limit on public sector exit payments. The government announced on 23rd May 2015 that it intends to end six figure exit payments for public sector workers. The government therefore proposes to introduce a cap of £95k on the total value of exit payments.
- 3.31 This cap will include all forms of exit payment available to employees on leaving employment, for example cash lump sums, such as redundancy payments, the cost to the employer of funding early access to unreduced pensions ('pension strain'), severance payments, ex gratia payments and other non-financial benefits, such as additional paid leave. The cap of £95k on the total value of the exit payment would apply whether these benefits are taken individually or in combination.
- 3.32 Where multiple payments are made, these will be aggregated to be measured against the £95k cap. At present, it is proposed that the following will not be in scope: -
- Compensation payments in respect of death or injury attributable to employment, serious ill health and ill health retirement and certain fitness related requirements
 - Payments made to conclude/settle litigation, including claims for unfair dismissal and/or breach of contract

- 3.33 It is proposed that waivers would be available in exceptional cases and will require the approval of Full Council. There will be a requirement for the council to maintain records and publish annual details of all exit payments made within the financial year
- 3.34 Draft Public Sector Exit Payment Regulations 2016 have been created by the Treasury, in exercise of the power conferred upon them by section 153A(1) of the Small Business, Enterprise and Employment Act 2015. However, these are still in draft form and an implementation date is yet to be set. The LGA has advised it is awaiting further legislative developments and guidance will be issued in due course.
- 3.35 At present, it is unclear how the proposals set out in the Regulations will override either the statutory or contractual rights of employees. It is likely that further legislation will be required to give effect to these proposals where they override contractual provisions. The proposals may also require legislative amendments to the Local Government Pension Scheme.
- 3.36 The proposed changes are aimed at senior managers within the public sector, however, there will be a greater impact on employees with longer service, even at middle income level, in relation to the cost of providing unreduced pension benefits.
- 3.37 It is not proposed to add anything to the pay policy at this stage with regard to these proposals. If changes are needed once the final regulations are implemented and their impact is clear, they will be made at that time.
- 3.38 A further report and guidance will be produced on these regulations and their impact once the final details are known.

Date of change unknown – Simplification of Tax and NI Treatment of Termination Payments

- 3.39 Government consultation was undertaken, closing in October 2015, which looked at how the tax and NI treatment of termination payments can be simplified.
- 3.40 At present, the majority of payments made on termination will be tax and NI free up to the limit of £30k. HMRC have suggested that the distinction between the tax treatment of contractual and non-contractual elements have not been clearly understood.
- 3.41 A report from the Office of Tax Simplification (OTS) has suggested the following options: -
- Remove the distinction in treatment between contractual and non-contractual termination payments
 - Lower the current £30k limit
 - Link the exemption from tax and NI in some way to the employees number of completed years

- Provide tax and NI relief only in the case of redundancy
- 3.42 Should any legislative changes be implemented during the financial year which will have an impact on the pay policy statement, the statement will be updated and changes agreed as defined in 2.2.

Trade Union Consultation

- 3.43 The draft pay policy and this report were sent to Unison, GMB and Unite for their comments. A number of comments came back: an addition to paragraph 3.35 was suggested to make it clear that changes may also need to be made to the Local Government Pension Scheme, and this has been included; a suggestion that the section in the pay policy on incremental progression should include information about career grades; re-employment following redundancy needs to be clearer; the trade unions should be informed of any cases where the one or two year gap before returning has been waived, which will be done; that if the one or two year gap is waived, there should be at least a 6 month gap; and that buy outs be included in the pay policy. HR Committee are asked to consider these comments/suggestions.
- 3.44 There were also some issues raised about the specific detail of some procedures referred to in the pay policy and these will be discussed with Unite separately by officers in line with normal working practice.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The recommendations within this report do not lead to any additional financial commitments for the council, although there will be additional administrative responsibilities arising from these changes.

5. LEGAL COMMENTS

- 5.1 The legal considerations are set out in the body of the report and therefore there are no additional legal implications arising.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 An equality analysis will be carried out on the draft policy statement, but it should be noted that the statement describes existing policies and practice rather than proposing new ones. Should there be amendments, further advice on the impact will be given.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 This report sets out the council's pay policy for 2016/17, 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.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no implications.

9. RISK MANAGEMENT IMPLICATIONS

9.1 The draft statement describes existing policies and practice. Any risks, e.g. from proposing changes in the future to pay and benefits, would be assessed at the time.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no implications.

Linked Reports, Appendices and Background Documents

Linked Report

Repayment of Public Sector Exit Payments

Appendices

Appendix 1 – Draft Pay Policy Statement 2016/17

Appendix 2 – Pay Policy Statement 2015/16

Appendix 3 – Local Government Transparency Code 2015

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

Officer contact details for documents:

- Simon Kilbey, Service Head (HR/WD) 020 7364 4922

**London Borough of Tower Hamlets
Pay Policy statement 1 April 2016 – 31 March 2017**

1 Introduction

The Localism Act 2011 requires Local Authorities to produce a pay policy statement every financial year. This requirement is part of the Government's drive towards public sector transparency.

The Pay Policy Statement sets out the Council's current policies and practice in relation to pay for all parts of the workforce. The statement excludes school based employees. The Statement is made available on the Council's website, which also includes separately published salary information for senior managers as part of the Government's Transparency Code.

2 Scope

The policy addresses the requirements of the Localism Act and addresses key areas of pay and remuneration.

The Localism Act defines senior executives, and in this statement they are the Chief Executive/Head of Paid Service, Corporate Directors and the Monitoring Officer (who make up the Corporate Management Team) in addition to Directors and Service Heads.

3 Pay and grading structure

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.

The Council also employs some staff on Soulbury conditions of service, some on conditions determined by the Joint National Council for Youth & 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.

There are also a number of staff who have retained their existing terms and conditions following TUPE transfers into the organisation.

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.

The Council uses national pay scales up to grade LPO8, and determines the appropriate grade for each job in accordance with the Greater London Provincial Council (GLPC) job evaluation scheme.

Above LPO8, local grades are in place for senior staff as follows:

- LP09 - evaluated under a local variation to the GLPC job evaluation Scheme
- Chief Officers, Deputy Chief Officers (Service Heads and senior executives) and Key Chief Officers - evaluated under the Joint Negotiating Committee for Chief Officers job evaluation scheme

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. 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.

New and changed jobs are evaluated using the relevant job evaluation scheme, with the appropriate grade being determined using a range of factors.

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.

4 How the Council's management team is structured

The Council's Corporate Management Team is led by the Chief Executive/Head of Paid Service, supported by a number of Chief Officers reporting to the Chief Executive/Head of Paid Service. All statutory roles are at this level of the organisation, with the exception of the Director of Public Health.

Service Heads (Deputy Chief Officers) in each Directorate report to a member of the Corporate Management Team.

5 Senior Executive remuneration

Pay for senior executives who are members of the Corporate Management Team is made up of three elements:

- Basic pay (defined by a locally agreed grade)
- London weighting allowance
- Travel allowance payment

In addition, Returning Officer fees are payable to the Chief Executive in respect of elections or referenda where fees are not funded by the Council.

This means that no fees will be paid for local elections or referenda which are funded by the Council but, the Returning Officer will receive fees for all elections and referenda externally funded.

Service Heads (Deputy Chief Officers) receive basic pay (defined by a locally agreed grade).

Senior salary data is published on the Council's website as part of the Government's transparency agenda. For details, please see http://www.towerhamlets.gov.uk/lgnl/council_and_democracy/council_budgets_and_spending/transparency/expenditure.aspx

6 Senior appointments

All salary packages for posts at Chief Officer, Key Chief Officer or Deputy Chief Officer level are in line with locally agreed pay scales.

7 Lowest paid employees

The council's lowest paid London based employees are those who are paid on the lowest scale point above the level of London Living Wage.

The council's lowest paid non London based employees are those who are paid on the lowest scale point above the level of National Living Wage.

The council's Apprentices are paid at the London Living Wage rate.

The council will implement the increase to the London Living Wage on 1st April 2016, by temporarily paying the London Living Wage to employees on Scale point 8, until a national pay agreement is implemented, at which point the increased salary will be backdated.

In the event that no pay award is agreed for 2016, those staff will be moved up to spinal column point 9.

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.

8 National pay bargaining

Annual pay increases across the Council's grades are set through the process of national pay bargaining which the Council subscribes to.

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.

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

9 Incremental progression

Incremental progression is on an annual basis for those staff who are not at the top of their grade. As per national conditions of service, progression is automatic for all staff (subject to general satisfactory performance) except Service Heads and Chief Officers who have to demonstrate satisfactory performance through a formal annual appraisal before being awarded incremental progression.

10 Additional payments and allowances

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.

Acting up and honoraria payments are made to individual staff as appropriate using clear criteria, and where a clear business need is identified.

The Council has a staff relocation package, available to new entrants to the Council's employment, but subject to tight eligibility criteria.

The Council also has the ability to pay market supplements for recruitment and retention purposes, where there is a strong business case and appropriate criteria are met.

The Council does not operate a performance related pay scheme or bonus scheme.

11 Pensions

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.

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.

12 Compensation for loss of office

12.1 Financial terms for redundancy

The Council has a policy 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 Chief Officers and to all staff. In certain circumstances, individuals may also qualify for early release of their pension.

12.2 Redundancy packages

When it is proposed to delete a post at Chief Officer, Key Chief Officer or Deputy Chief Officer level, a report is submitted to the Council's HR Committee for consideration. If the proposal will result in a postholder receiving a severance package, the costs of such a package are included in the report.

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 Negotiated exits – settlements

If it is determined that a negotiated settlement is appropriate for a senior executive in circumstances which do not amount to a dismissal, the Service Head (Human Resources & Workforce Development) will deal with the detail, and the Council's Chief Executive/Head of Paid Service after consultation with the Monitoring Officer (or in circumstances where it is not appropriate for one or other to be involved, the Chief Financial Officer) will consider whether the terms of the offer constitute value for money and are appropriate, fair and reasonable in the circumstances, and the proposed settlement shall then be subject to the agreement of the Human Resources Committee.

12.5 Re-employment following redundancy/early retirement

Any member of staff who has left the Council by reason of redundancy or early retirement and received a severance payment is required to have a gap before reemployment. The gap should be at least 1 year after the date of termination for staff who left due to compulsory redundancy or a gap of at least 2 years after the date of termination for staff who left due to 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.

To allow for exceptional circumstances, when it might be necessary to reemploy someone sooner than set out above, a Corporate Director, in conjunction with the Service Head HR and WD, and after consultation with the Chair of the Human Resources Committee, has authority to waive the 1 or 2 year requirement (as appropriate), provided there is justification.

Any employee or office holder who earns £100,000 per annum will be required, by the Repayment of Public Sector Exit Payment Regulations 2016,

to repay in full or part (as set out in the Regulations), to the employer who made the payment, any exit payment they receive should they return to a similar role in another local authority or other local government body (see the Regulations for a full list), either on or off payroll, within 12 months. This requirement can only be waived in exceptional circumstances and by a decision of Full Council.

13 Pay multiples / comparisons

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.

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 1:6.7.

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 1:10.87.

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

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

The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. The Council's next Statement is scheduled to be for 2017/18 and will be submitted to Full Council for approval by 31 March 2017.

Appendix 1 – Pay Policy Statement 2016-17

Should changes to 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 an appropriate recommendation was made to Full Council.

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**London Borough of Tower Hamlets
Pay Policy statement 1 April 2015 – 31 March 2016**

1 Introduction

The Localism Act 2011 requires Local Authorities to produce a pay policy statement every financial year. This requirement is part of the Government's drive towards public sector transparency.

The Pay Policy Statement sets out the Council's current policies and practice in relation to pay for all parts of the workforce. The statement excludes school based employees. The Statement is made available on the Council's website, which also includes separately published salary information for senior managers as part of the Government's Transparency Code.

2 Scope

The policy addresses the requirements of the Localism Act and addresses key areas of pay and remuneration.

The Localism Act defines senior executives, and in this statement they are the Chief Executive/Head of Paid Service, Corporate Directors, the Monitoring Officer (Corporate Management Team).

3 Pay and grading structure

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.

The Council also employs some staff on Soulbury conditions of service, some on conditions determined by the Joint National Council for Youth & 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.

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.

The Council uses national pay scales up to grade LPO8, and determines the appropriate grade for each job in accordance with the Greater London Provincial Council (GLPC) job evaluation scheme.

Above LPO8, local grades are in place for senior staff as follows:

- LP09 - evaluated under a local variation to the GLPC job evaluation Scheme

- Chief Officers, Deputy Chief Officers (Service Heads and senior executives) and Key Chief Officers - evaluated under the Joint Negotiating Committee for Chief Officers job evaluation scheme

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. 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.

New and changed jobs are evaluated using the relevant job evaluation scheme, with the appropriate grade being determined using a range of factors.

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.

4 How the Council's management team is structured

The Council's Corporate Management Team is led by the Chief Executive/Head of Paid Service, supported by a number of Chief Officers reporting to the Chief Executive/Head of Paid Service. All statutory roles are at this level of the organisation.

Service Heads (Deputy Chief Officers) in each Directorate report to a member of the Corporate Management Team.

5 Senior Executive remuneration

Pay for senior executives who are members of the Corporate Management Team is made up of three elements:

- Basic pay (defined by a locally agreed grade)
- London weighting allowance
- Travel allowance payment

Service Heads (Deputy Chief Officers) receive basic pay (defined by a locally agreed grade).

Senior salary data is published on the Council's website as part of the Government's transparency agenda. For details, please see http://www.towerhamlets.gov.uk/lgs/800001-800100/800043_transparency.aspx

6 Senior appointments

All salary packages for posts at Chief Officer, Key Chief Officer or Deputy Chief Officer level are in line with locally agreed pay scales.

7 Lowest paid employees

The Council's lowest paid staff are those who are paid on the Council's lowest scale point.

The Council has resolved that its lowest paid staff should not be paid less than the level of the London Living Wage. As a consequence, in 2011, 2012 and 2013, the pay levels for the lowest paid employees was moved up to Scale 1, (spinal column point 5 in 2011, point 6 in 2012 and point 7 in 2013), to ensure the rate was above the London Living Wage.

When the London Living Wage was increased in November 2014, further work was done to ensure the lowest paid employees had the pay increase reflected in their pay. As a consequence, the pay levels for the lowest paid employees, was moved up to Scale 1 (spinal column point 8), which is above the rate of the 2014 London Living Wage. The Council's Apprentices are paid at the London Living Wage rate.

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.

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The Council will have regard to its pay ratios and keep them under review, seeking to balance the following:

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Department for
Communities and
Local Government

Local Government Transparency Code 2015



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Part 1: Introduction

Policy context

1. This Code is issued to meet the Government's desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services. Transparency is the foundation of local accountability and the key that gives people the tools and information they need to enable them to play a bigger role in society. The availability of data can also open new markets for local business, the voluntary and community sectors and social enterprises to run services or manage public assets.
2. 'Data' means the objective, factual data, on which policy decisions are based and on which public services are assessed, or which is collected or generated in the course of public service delivery. This should be the basis for publication of information on the discharge of local authority functions.
3. Analysis by Deloitte¹ for the Shakespeare Review of Public Sector Information estimates the economic benefits of public sector information in the United Kingdom as £1.8 billion, with social benefits amounting to £5 billion. The study highlights the significant potential benefits from the publication of public data. And, local authorities and local people want to see published open data:
 - 80 per cent of those responding to a transparency survey² by the Local Government Association in September 2012 cited external accountability as a benefit, with 56 per cent citing better local decision making and democracy as a benefit
 - a survey of 800 members of Bedford's Citizens Panel³ showed that 64 per cent of respondents thought it was very important that the council makes data available to the public and the public were most interested in seeing data made available about council spending and budgets (66 per cent)
 - research by Ipsos MORI⁴ found that the more citizens feel informed, the more they tend to be satisfied with public services and their local authorities.

¹ "Market Assessment of Public Sector Information", Deloitte, May 2013, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/198905/bis-13-743-market-assessment-of-public-sector-information.pdf

² "Local Government Transparency Survey 2012", LGA, December 2012, http://www.local.gov.uk/documents/10180/11541/Local_Government_Transparency_Survey_2012.pdf/dd4c24ed-20ba-4feb-b6eb-fea21e4af049

³ "Citizens Panel Summer 2011 Survey Results Data Transparency" Bedford Borough Council, August 2011 (unpublished)

⁴ "What do people want, need and expect from public services?", Ipsos MORI, 2010, http://www.ipsos-mori.com/DownloadPublication/1345_sri_what_do_people_want_need_and_expect_from_public_services_110310.pdf

4. Therefore, the Government believes that in principle all data held and managed by local authorities should be made available to local people unless there are specific sensitivities (eg. protecting vulnerable people or commercial and operational considerations) to doing so. It encourages local authorities to see data as a valuable resource not only to themselves, but also their partners and local people.
5. Three principles have guided the development of this Code:
- **demand led** – there are growing expectations that new technologies and publication of data should support transparency and accountability. It is vital that public bodies recognise the value to the public of the data they hold, understand what they hold, what their communities want and then release it in a way that allows the public, developers and the media to use it
 - **open** – provision of public data should become integral to local authority engagement with local people so that it drives accountability to them. Its availability should be promoted and publicised so that residents know how to access it and how it can be used. Presentation should be helpful and accessible to local people and other interested persons, and
 - **timely** – the timeliness of making public data available is often of vital importance. It should be made public as soon as possible following production even if it is not accompanied with detailed analysis.
6. This Code ensures local people can now see and access data covering (annex A summarises the publication requirements specified in this Code):
- **how money is spent** – for example, all spending transactions over £500, all Government Procurement Card spending and contracts valued over £5,000
 - **use of assets** – ensuring that local people are able to scrutinise how well their local authority manages its assets⁵. For example, self-financing for council housing – introduced in April 2012 – gave each local authority a level of debt it could support based on the valuation of its housing stock. This Code gives local people the information they need to ask questions about how their authority is managing its housing stock to ensure it is put to best use, including considering whether higher value, vacant properties could be used to fund the building of new affordable homes and so reduce waiting lists. The requirement in paragraphs 38 to 41 builds on existing Housing Revenue Account practices⁶
 - **decision making** – how decisions are taken and who is taking them, including how much senior staff are paid, and
 - **issues important to local people** – for example, parking and the amount spent by an authority subsidising trade union activity.

⁵ Nationally, local authorities' estate (all forms of land and buildings) is estimated to be worth about £220 billion.

⁶ The Housing Revenue Account (Accounting Practices) Directions 2011 require that local authorities' annual statement of accounts include disclosure of the total balance sheet value of the land, houses and other property and the vacant possession value of dwellings within the authority's Housing Revenue Account, <https://www.gov.uk/government/publications/the-housing-revenue-account-directions-2011>.

7. Local authorities are encouraged to consider the responses the Government received⁷ to its consultation and look to go further than this Code by publishing some of the data proposed by respondents, in line with the principle that all data held and managed by local authorities should be made open and available to local people unless there are specific sensitivities to doing so.
8. Fraud can thrive where decisions are not open to scrutiny and details of spending, contracts and service provision are hidden from view. Greater transparency, and the provisions in this Code, can help combat fraud. Local authorities should also use a risk management approach with strong internal control arrangements to reduce the risk of any payment fraud as a result of publishing public data. Local authorities should refer to the Chartered Institute of Public Finance and Accountancy Code of Practice on Managing the Risk of Fraud and Corruption⁸. Annex B provides further information on combating fraud.

Application

9. This Code is issued by the Secretary of State for Communities and Local Government in exercise of his powers under section 2 of the Local Government, Planning and Land Act 1980 (“the Act”) to issue a Code of Recommended Practice (the Code) as to the publication of information by local authorities about the discharge of their functions and other matters which he considers to be related. It is issued following consultation in accordance with section 3(11) of the Act.
10. The Code does not replace or supersede the existing legal framework for access to and re-use of public sector information provided by the:
 - Freedom of Information Act 2000 (as amended by the Protection of Freedoms Act 2012)
 - Environmental Information Regulations 2004
 - Re-use of Public Sector Information Regulations 2005
 - Infrastructure for Spatial Information in the European Community (INSPIRE) Regulations 2009, and
 - sections 25 and 26 of the Local Audit and Accountability Act 2014⁹ which provide rights for persons to inspect a local authority’s accounting records and supporting documentation, and to make copies of them.
11. This Code does not apply to Police and Crime Commissioners, for whom a separate transparency framework applies.

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/266815/Transparency_Code_Government_Response.pdf (see paragraph 37)

⁸ <http://www.cipfa.org/services/counter-fraud-centre/code-of-practice>

⁹ See the Accounts and Audit Regulations 2015 (S.I. 2014/234) for details of when and how those rights may be exercised.

12. This Code only applies to local authorities in relation to descriptions of information or data where that type of local authority undertakes the particular function to which the information or data relates.

13. The Code applies in England only.

Definitions

14. In this Code:

“local authority” means:

- a county council in England
- a district council
- a parish council which has gross annual income or expenditure (whichever is the higher) exceeding £200,000
- a London borough council
- the Common Council of the City of London in its capacity as a local authority
- the Council of the Isles of Scilly
- a National Park authority for a National Park in England
- the Broads Authority
- the Greater London Authority so far as it exercises its functions through the Mayor
- the London Fire and Emergency Planning Authority
- Transport for London
- a fire and rescue authority (constituted by a scheme under section 2 of the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies, and a metropolitan county fire and rescue authority)
- a joint authority established by Part IV of the Local Government Act 1985 (fire and rescue services and transport)
- a joint waste authority, i.e. an authority established for an area in England by an order under section 207 of the Local Government and Public Involvement in Health Act 2007
- an economic prosperity board established under section 88 of the Local Democracy, Economic Development and Construction Act 2009
- a combined authority established under section 103 of that Act
- a waste disposal authority, i.e. an authority established under section 10 of the Local Government Act 1985, and
- an integrated transport authority for an integrated transport area in England.

“a social enterprise”¹⁰ means a business that trades for a social and/or environmental purpose and is a business which:

- aims to generate its income by selling goods and services, rather than through grants and donations
- is set up to specifically make a difference, and
- reinvests the profits it makes for the purpose of its social mission.

“a small or medium sized enterprise” means an undertaking which has fewer than 250 employees.

“voluntary and community sector organisations” means a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives.

Data protection

15. The Government believes that local transparency can be implemented in a way that complies with the Data Protection Act 1998. Where local authorities are disclosing information which potentially engages the Data Protection Act 1998, they must ensure that the publication of that information is compliant with the provisions of that Act. The Data Protection Act 1998 does not restrict or inhibit information being published about councillors or senior local authority officers because of the legitimate public interest in the scrutiny of such senior individuals and decision makers. The Data Protection Act 1998 also does not automatically prohibit information being published naming the suppliers with whom the authority has contracts, including sole traders, because of the public interest in accountability and transparency in the spending of public money.
16. For other situations where information held by local authorities contains public data which cannot be disclosed in a Data Protection Act compliant manner, the Information Commissioner’s Office has published guidance on anonymisation of datasets, enabling publication of data which can yield insights to support public service improvement, whilst safeguarding individuals’ privacy¹¹.
17. To ensure that published valuation information for social housing assets (see paragraphs 38 to 41) is not disclosive of individual properties, authorities are required to publish their valuation data at postal sector level, i.e. full ‘outbound’ code (first part of the postcode) and first digit of the ‘inbound’ code (second part of the postcode). This provides an average cell size of 2,500 households, which should be large enough to prevent identification of individual dwellings. However, in particular areas where the postcode sector gives a number of households below 2,500 the postcode level should be set higher, that is at postcode district level (e.g. PO1 ***).

¹⁰ <https://www.gov.uk/set-up-a-social-enterprise>

¹¹ http://ico.org.uk/for_organisations/data_protection/topic_guides/anonymisation

18. Local authorities should also make the following adjustment prior to publishing social housing valuation data in order to mitigate the possibility of identifying individual properties:

- Step 1 – for any given postcode sector where the number of occupied social housing properties in any valuation bands is less than a threshold of '10', authorities should merge that particular cell with the next lowest valuation band, and so on until the resultant merged cells contain at least '10' occupied social housing properties. However, if continued repetition of step 1 leads to the number of valuation bands applied to that postcode sector falling below the proposed minimum threshold of valuation bands as set out in paragraph 17, authorities should then apply step 2.
- Step 2 – authorities should merge the original (non-merged) valuation data for the relevant postcode sector with the valuation data with any adjoining postcode sectors which show the lowest number of socially rented properties. Then apply Step 1.

Licences

19. When using postcode data (for example, in connection with paragraphs 35 to 41), local authorities will need to assess their current licence arrangement with the Royal Mail with regards to the terms of use of the Postcode Address File (PAF).

Commercial confidentiality

20. The Government has not seen any evidence that publishing details about contracts entered into by local authorities would prejudice procurement exercises or the interests of commercial organisations, or breach commercial confidentiality unless specific confidentiality clauses are included in contracts. Local authorities should expect to publish details of contracts newly entered into – commercial confidentiality should not, in itself, be a reason for local authorities to not follow the provisions of this Code. Therefore, local authorities should consider inserting clauses in new contracts allowing for the disclosure of data in compliance with this Code.

Exclusions and exemptions

21. Authorities should ensure that they do not contravene the provisions of sections 100A, 100B or 100F of the Local Government Act 1972.
22. Where information would otherwise fall within one of the exemptions from disclosure, for instance, under the Freedom of Information Act 2000, the Environmental Information Regulations 2004, the Infrastructure for Spatial Information in the European Community (INSPIRE) Regulations 2009 or fall within Schedule 12A to the Local Government Act 1972 then it is at the discretion of the local authority whether or not to rely on that exemption or publish the data. Local authorities should start from the presumption of openness and disclosure of information, and not rely on exemptions to withhold information unless absolutely necessary.

Timeliness and errors

23. Data should be as accurate as possible at first publication. While errors may occur, the publication of information should not be unduly delayed to rectify mistakes. This concerns errors in data accuracy. The best way to achieve this is by having robust information management processes in place.
24. Where errors in data are discovered, or files are changed for other reasons (such as omissions), local authorities should publish revised information making it clear where and how there has been an amendment. Metadata on data.gov.uk should be amended accordingly.

Further guidance and support

25. The Local Government Association has published guidance¹² on transparency (eg. technical guidance notes, best practice examples and case studies) to help local authorities comply with this Code.

¹² <http://www.local.gov.uk/practitioners-guides-to-publishing-data>

Part 2: Information which must be published

Part 2.1: Information to be published quarterly

26. Data covered by this section includes:

- expenditure exceeding £500 (see paragraphs 28 and 29)
- Government Procurement Card transactions (paragraph 30), and
- procurement information (see paragraphs 31 and 32).

27. The data and information referred to in this Part (2.1) must be:

- first published within a period of three months from the date on which the local authority last published that data under the Local Government Transparency Code 2014¹³ and not later than one month after the quarter to which the data and information is applicable
- published quarterly thereafter and on each occasion not later than one month after the quarter to which the data and information is applicable.

Expenditure exceeding £500

28. Local authorities must publish details of each individual item of expenditure that exceeds £500¹⁴. This includes items of expenditure¹⁵, consistent with Local Government Association guidance¹⁶, such as:

- individual invoices
- grant payments
- expense payments
- payments for goods and services
- grants
- grant in aid
- rent
- credit notes over £500, and
- transactions with other public bodies.

¹³ Under the Local Government Transparency Code 2014, local authorities were required to publish this data on the first occasion, not later than 31 December 2014 and quarterly thereafter.

¹⁴ The threshold should be, where possible, the net amount excluding recoverable Value Added Tax.

¹⁵ Salary payments to staff normally employed by the local authority should not be included. However, local authorities should publish details of payments to individual contractors (e.g. individuals from consultancy firms, employment agencies, direct personal contracts, personal service companies etc) either here or under contract information.

¹⁶ <http://www.local.gov.uk/practitioners-guides-to-publishing-data>

29. For each individual item of expenditure the following information must be published:

- date the expenditure was incurred
- local authority department which incurred the expenditure
- beneficiary
- summary of the purpose of the expenditure¹⁷
- amount¹⁸
- Value Added Tax that cannot be recovered, and
- merchant category (eg. computers, software etc).

Government Procurement Card transactions

30. Local authorities must publish details of every transaction on a Government Procurement Card. For each transaction, the following details must be published:

- date of the transaction
- local authority department which incurred the expenditure
- beneficiary
- amount¹⁹
- Value Added Tax that cannot be recovered
- summary of the purpose of the expenditure, and
- merchant category (eg. computers, software etc).

¹⁷ This could be the descriptor that local authorities use in their accounting system providing it gives a clear sense of why the expenditure was incurred or what it purchased or secured for the local authority.

¹⁸ Where possible, this should be the net amount excluding recoverable Value Added Tax. Where Value Added Tax cannot be recovered – or the source of the data being used cannot separate out recoverable Value Added Tax – then the gross amount should be used instead with a note stating that the gross amount has been used.

¹⁹ Where possible, this should be the net amount excluding recoverable Value Added Tax. Where Value Added Tax cannot be recovered – or the source of the data being used cannot separate out recoverable Value Added Tax – then the gross amount should be used instead with a note stating that the gross amount has been used.

Procurement information

31. Local authorities must publish details of every invitation to tender for contracts to provide goods and/or services²⁰ with a value that exceeds £5,000^{21, 22}. For each invitation, the following details must be published:

- reference number
- title
- description of the goods and/or services sought
- start, end and review dates, and
- local authority department responsible.

32. Local authorities must also publish details of any contract²³, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000²⁴. For each contract, the following details must be published:

- reference number
- title of agreement
- local authority department responsible
- description of the goods and/or services being provided
- supplier name and details
- sum to be paid over the length of the contract or the estimated annual spending or budget for the contract²⁵
- Value Added Tax that cannot be recovered
- start, end and review dates
- whether or not the contract was the result of an invitation to quote or a published invitation to tender, and
- whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number²⁶.

²⁰ This includes contracts for staff who are employed via consultancy firms or similar agencies.

²¹ The threshold should be, where possible, the net amount excluding recoverable Value Added Tax.

²² Tenders for framework agreements should be included, even though there may be no initial value.

²³ This includes contracts for staff who are employed via consultancy firms or similar agencies.

²⁴ The threshold should be, where possible, the net amount excluding recoverable Value Added Tax.

²⁵ Where possible, this should be the net amount excluding recoverable Value Added Tax. Where Value Added Tax cannot be recovered – or the source of the data being used cannot separate out recoverable Value Added Tax – then the gross amount should be used instead with a note stating that the gross amount has been used.

²⁶ For example, this might be the company or charity registration number.

Part 2.2: Information to be published annually

33. Data covered by this section includes:

- local authority land (see paragraphs 35 to 37)
- social housing assets (see paragraphs 38 to 41)
- grants to voluntary, community and social enterprise organisations (see paragraphs 42 and 43)
- organisation chart (see paragraph 44)
- trade union facility time (see paragraph 45)
- parking account (see paragraph 46)
- parking spaces (see paragraph 47)
- senior salaries (see paragraphs 48 and 49)
- constitution (see paragraph 50)
- pay multiple (see paragraphs 51 and 52), and
- fraud (see paragraph 53).

34. With the exception of data relating to social housing assets (paragraphs 38 to 41), the data and information in this Part (2.2) must be:

- first published within a period of one year from the date on which the local authority last published that data under the Local Government Transparency Code 2014²⁷ and not later than one month after the year to which the data and information is applicable
- published annually thereafter and on each occasion not later than one month²⁸ after the year to which the data and information is applicable.

The data on social housing assets (see paragraphs 38 to 41) must be published:

- on the first occasion, not later than 1 September 2015 (based on the most up to date valuation data available at the time of publishing the information), then
- in April 2016, and
- every April thereafter.

²⁷ Under the Local Government Transparency Code 2014, local authorities were required to publish this data on the first occasion, not later than 2 February 2015 and annual thereafter.

²⁸ In relation to parking account data, where the local authority's annual accounts have not been finalised, the authority should publish estimates within one month after the year to which the data is applicable and subsequently publish final figures as soon as the authority's accounts are finalised.

Local authority land

35. Local authorities must publish details of all land and building assets including:

- all service and office properties occupied or controlled by user bodies, both freehold and leasehold
- any properties occupied or run under Private Finance Initiative contracts
- all other properties they own or use, for example, hostels, laboratories, investment properties and depots
- garages unless rented as part of a housing tenancy agreement
- surplus, sublet or vacant properties
- undeveloped land
- serviced or temporary offices where contractual or actual occupation exceeds three months, and
- all future commitments, for example under an agreement for lease, from when the contractual commitment is made.

Information about the following land and building assets are to be excluded from publication:

- rent free properties provided by traders (such as information booths in public places or ports)
- operational railways and canals
- operational public highways (but any adjoining land not subject to public rights should be included)
- assets of national security, and
- information deemed inappropriate for public access as a result of data protection and/or disclosure controls (eg. such as refuge houses).

36. For the purposes of this dataset about local authority land (paragraphs 35 to 37), details about social housing should not be published. However, information about the value of social housing stock contained in a local authority's Housing Revenue Account does need to be published for the social housing asset value dataset (paragraphs 38 to 41).

37. For each land or building asset, the following information must be published together in one place:

- Unique Property Reference Number²⁹
- Unique asset identity - the local reference identifier used by the local body, sometimes known as local name or building block. There should be one entry per asset or user/owner (eg. on one site there could be several buildings or in one building there could be several users floors/rooms etc – where this is the case, each of these will have a separate asset identity). This must include the original reference number from the data source plus authority code
- name of the building/land or both
- street number or numbers - any sets of 2 or more numbers should be separated with the ‘-’ symbol (eg. 10-15 London Road)
- street name – this is the postal road address³⁰
- post town
- United Kingdom postcode
- map reference – local authorities may use either Ordnance Survey or ISO 6709 systems to identify the location of an asset, but must make clear which is being used. Where an Ordnance Survey mapping system is used (the grid system) then assets will be identified using Eastings before Northings. Where geocoding in accordance with ISO 6709 is being used to identify the centre point of the asset location then that reference must indicate its ISO coordinates
- whether the local authority owns the freehold or a lease for the asset and for whichever category applies, the local authority must list all the characteristics that apply from the options given below:

for freehold assets:

- occupied by the local authority
- ground leasehold
- leasehold
- licence
- vacant (for vacant properties, local authorities should not publish the map reference or full address details, they should only publish the first part of the postcode³¹).

²⁹ The Unique Property Reference Number (UPRN) is a unique twelve digit number assigned to every unit of land and property recorded by local government, this is a statutory obligation. The UPRN uniquely and definitively identifies every addressable location in the country. The numbers originate from Geo-Place (an OS and LGA joint venture).

³⁰ Local authorities should use the official postal address. Exceptionally, where this is not available, local authorities should use the address they hold for the asset.

³¹ The first part of the postcode, or Outward Code, refers to the area and the district only, http://www.postcodeaddressfile.co.uk/products/postcodes/postcodes_explained.htm

for leasehold assets:

- occupied by the local authority
- ground leasehold
- sub leasehold
- licence.

for other assets:

- free text description eg. rights of way, access etc³².
- whether or not the asset is land only (i.e. without permanent buildings) or it is land with a permanent building.

Social housing asset value

38. Local authorities must publish details of the value of social housing stock that is held in their Housing Revenue Account³³.

39. The following social housing stock data must be published:

- valuation data to be listed at postal sector level³⁴ (e.g. PO1 1**), without indicating individual dwelling values, and ensuring that data is not capable of being made disclosive of individual properties, in line with disclosure protocols set out in paragraphs 15 to 18
- valuation data for the dwellings using both Existing Use Value for Social Housing and market value (valued in accordance with guidance³⁵) as at 1 April. This should be based on the authority's most up to date valuation data at the time of the publication of the information
- an explanation of the difference between the tenanted sale value of dwellings within the Housing Revenue Account and their market sale value, and assurance that the publication of this information is not intended to suggest that tenancies should end to realise the market value of properties.

³² Where a local authority feels unable to verify rights of way information, for example, it should add a short narrative explaining why it is unable to identify and verify the information.

³³ All local housing authorities who hold housing stock are required to account for all income and expenditure in relation to that stock in a separate account which is called the Housing Revenue Account.

³⁴ The first part of the postcode, or Outward Code (which refers only to the area and the district only), and first digit of the second part of the postcode, or Inward Code (the number identifies the sector in the postal district). http://www.postcodeaddressfile.co.uk/products/postcodes/postcodes_explained.htm

³⁵ *Guidance for Valuers on Stock Valuation for Resource Accounting 2010* published by the Secretary of State for Communities and Local Government in January 2011, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5939/1825886.pdf

40. The valuation data and information referred to in paragraph 39 must be published in the following format:

- for each postal sector level, the valuation data should be classified within set bands of value. Authorities must set their valuation bands within the general parameters set out in the table below, in light of the local characteristics of the housing market in their area, in order to ensure that valuation data published by all authorities is consistent and clear to understand:

Valuation Band Range	Intervening bands value
< £50,000 -£99,999	6 Bands of £10,000
£100,000 - £299,999	10 Bands of £20,000
£300,000 - £499,999	4 Bands of £50,000
£500,000 - £999,999	5 Bands of £100,000
£1,000,000 – £2,999,999>	5 Bands of £500,000

- authorities should ensure that any band should only include values that fall within the band parameters (i.e. not give a top value band). If that is the case, the lowest and highest band should be further disaggregated
- authorities should bear in mind that it is likely that the numbers of properties in the lowest and highest bands will be low, leading to potential disclosure problems. The protocol to address this issue is set out in paragraphs 15 to 18
- for each postal sector level, within the set band of value, the data should indicate:
 - the total number of dwellings
 - the aggregate value of the dwellings and their mean value, using both Existing Use Value for Social Housing and market value, and
 - the percentage of the dwellings that are occupied and the percentage that are vacant
- authorities must publish the valuation data for both tenanted and vacant dwellings.

41. An example of how the data specified in paragraphs 39 and 40 could be presented is included at annex C.

Grants to voluntary, community and social enterprise organisations

42. Local authorities must publish details of all grants to voluntary, community and social enterprise organisations. This can be achieved by either:

- tagging and hence specifically identifying transactions which relate to voluntary, community and social enterprise organisations within published data on expenditure over £500 or published procurement information, or
- by publishing a separate list or register.

43. For each identified grant, the following information must be published as a minimum:

- date the grant was awarded
- time period for which the grant has been given
- local authority department which awarded the grant
- beneficiary
- beneficiary's registration number³⁶
- summary of the purpose of the grant, and
- amount.

Organisation chart

44. Local authorities must publish an organisation chart covering staff in the top three levels of the organisation³⁷. The following information must be included for each member of staff included in the chart:

- grade
- job title
- local authority department and team
- whether permanent or temporary staff
- contact details
- salary in £5,000 brackets, consistent with the details published under paragraph 48, and
- salary ceiling (the maximum salary for the grade).

Trade union facility time

45. Local authorities must publish the following information on trade union facility time:

- total number (absolute number and full time equivalent) of staff who are union representatives (e.g. general, learning and health and safety representatives)
- total number (absolute number and full time equivalent) of union representatives who devote at least 50 per cent of their time to union duties
- names of all trade unions represented in the local authority
- a basic estimate of spending on unions (calculated as the number of full time equivalent days spent on union duties by authority staff that spent the majority of their time on union duties multiplied by the average salary), and
- a basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on union duties by authority staff that spent the majority of their time on union duties multiplied by the average salary divided by the total pay bill).

³⁶ For example, this might be the company or charity registration number.

³⁷ This should exclude staff whose salary does not exceed £50,000.

Parking account

46. Local authorities must publish on their website, or place a link on their website to this data if published elsewhere:

- a breakdown of income and expenditure on the authority's parking account^{38, 39}. The breakdown of income must include details of revenue collected from on-street parking, off-street parking and Penalty Charge Notices, and
- a breakdown of how the authority has spent a surplus on its parking account^{38,40}.

Parking spaces

47. Local authorities must publish the number of marked out controlled on and off-street parking spaces within their area, or an estimate of the number of spaces where controlled parking space is not marked out in individual parking bays or spaces.

Senior salaries

48. Local authorities are already required to publish, under the Accounts and Audit Regulations 2015 (Statutory Instrument 2015/234)⁴¹:

- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
- details of remuneration and job title of certain senior employees whose salary is at least £50,000, and
- employees whose salaries are £150,000 or more must also be identified by name.

49. In addition to this requirement, local authorities must place a link on their website to these published data or place the data itself on their website, together with a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and 'benefits-in-kind', for all employees whose salary exceeds £50,000. The key differences between the requirements under this Code and the Regulations referred to above is the addition of a list of responsibilities, the inclusion of bonus details for all senior employees whose salary exceeds £50,000 and publication of the data on the authority's website.

³⁸ A parking account kept under section 55 of the Road Traffic Regulation Act 1984 as modified by Regulation 25 of the Civil Enforcement of Parking Contraventions (England) General Regulations 2007.

³⁹ Local authorities should also have regard to both statutory guidance, *The Secretary of State's Statutory Guidance to Local Authorities on the Civil Enforcement of Parking Contraventions*, <http://assets.dft.gov.uk/publications/tma-part-6-cpe-statutory-guidance/betterprkstatutoryguid.pdf>, and non-statutory operational guidance, *Operational Guidance to Local Authorities: Parking Policy and Enforcement*, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212559/parkinginforcepolicy.pdf

⁴⁰ Section 55 (as amended) of the Road Traffic Regulation Act 1984 sets out how local authorities should use a surplus on their parking account. Local authorities should breakdown how they have spent a surplus on their parking account within the categories set out in section 55.

⁴¹ For the accounting year 2014-15, the Accounts and Audit (England) Regulations 2011 (Statutory Instrument 2011/817) remain applicable.

Constitution

50. Local authorities are already required to make their Constitution available for inspection at their offices under section 9P of the Local Government Act 2000. Local authorities must also, under this Code, publish their Constitution on their website.

Pay multiple

51. Section 38 of the Localism Act 2011 requires local authorities to produce Pay Policy Statements, which should include the authority's policy on pay dispersion – the relationship between remuneration of chief officers and the remuneration of other staff. Guidance produced under section 40 of that Act⁴², recommends that the pay multiple is included in these statements as a way of illustrating the authority's approach to pay dispersion.

52. Local authorities must, under this Code, publish the pay multiple on their website, 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. The measure must:

- cover all elements of remuneration that can be valued (eg. all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind)
- use the median earnings figure as the denominator, which should be that of all employees of the local authority on a fixed date each year, coinciding with reporting at the end of the financial year, and
- exclude changes in pension benefits, which due to their variety and complexity cannot be accurately included in a pay multiple disclosure.

⁴² Openness and accountability in local pay: Guidance under Section 40 of the Localism Act (February 2012), https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5956/2091042.pdf

Fraud

53. Local authorities must publish the following information about their counter fraud work⁴³:

- number of occasions they use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014⁴⁴, or similar powers⁴⁵
- total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud
- total number (absolute and full time equivalent) of professionally accredited counter fraud specialists
- total amount spent by the authority on the investigation and prosecution of fraud, and
- total number of fraud cases investigated.

Part 2.3: Information to be published once only

Waste contracts

54. Local authorities must publish details of their existing waste collection contracts, in line with the details contained in paragraph 32. Local authorities must publish this information at the same time as they first publish quarterly procurement information under paragraphs 27, 31 and 32 of this Code.

Part 2.4: Method of publication

55. Public data should be published in a format and under a licence that allows open re-use, including for commercial and research activities, in order to maximise value to the public. The most recent Open Government Licence published by the National Archives should be used as the recommended standard. Where any copyright or data ownership concerns exist with public data these should be made clear. Data covered by Part 2 of this Code must be published in open and machine-readable formats (further information about machine-readable formats can be found in Part 3.2).

⁴³ The definition of fraud is as set out by the Audit Commission in *Protecting the Public Purse*.

⁴⁴ S.I. 2014/899.

⁴⁵ For example, the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013 gives local authorities the power to require information from listed bodies, during the investigation of fraud connected with an application for or award of a reduction under a council tax reduction scheme: <http://www.legislation.gov.uk/ukSI/2013/501/contents/made>

Part 3: Information recommended for publication

56. Part 2 of this Code set out details of the minimum data that local authorities must publish. The Government believes that in principle all data held and managed by local authorities should be made available to local people unless there are specific sensitivities to doing so. Therefore, it encourages local authorities to go much further in publishing the data they hold, recognising the benefits of sharing that data for local people, more effective service delivery and better policy making. Part 3 of this Code sets out details of data that the Government recommends local authorities publish.

Part 3.1: Information recommended for publication

57. Data covered by this section includes:

- expenditure data (see paragraph 58)
- procurement information (see paragraphs 59 and 60)
- local authority land (see paragraph 61 and 62)
- parking spaces (see paragraphs 63 and 64)
- organisation chart (see paragraph 65)
- grants to voluntary, community and social enterprise organisations (see paragraphs 66 and 67), and
- fraud (see paragraph 68).

Expenditure data

58. It is recommended that local authorities go further than the minimum publication requirements set out in Part 2 and:

- publish information on a monthly instead of quarterly basis, or ideally, as soon as it becomes available and therefore known to the authority (commonly known as 'real-time' publication)
- publish details of all transactions that exceed £250 instead of £500. For each transaction the details that should be published remain as in paragraph 29
- publish all transactions on all corporate credit cards, charge cards and procurements, including those that are not a Government Procurement Card. For each transaction the details that should be published remain as set out in paragraph 30
- publish the total amount spent on remuneration over the period being reported on, and
- classify expenditure using the Chartered Institute of Public Finance and Accountancy Service Reporting Code of Practice to enable comparability between local authorities.

Procurement information

59. It is recommended that local authorities place on Contracts Finder⁴⁶, as well as any other local portal, every invitation to tender or invitation to quote for contracts to provide goods and/or services with a value that exceeds £10,000. For each invitation, the details that should be published are the same as those set out in paragraph 31.

60. It is recommended that local authorities should go further than the minimum publication requirements set out in Part 2 and publish:

- information on a monthly instead of quarterly basis, or ideally, as soon as it is generated and therefore becomes available (commonly known as 'real-time' publication)
- every invitation to tender for contracts to provide goods and/or services with a value that exceeds £500 instead of £5,000. The details that should be published are the same as those set out in paragraph 31
- details of invitations to quote where there has not been a formal invitation to tender. The details that should be published are the same as those set out in paragraph 31
- all contracts in their entirety where the value of the contract exceeds £5,000⁴⁷
- company registration number at Companies House
- details of invitations to tender or invitations to quote that are likely to be issued in the next twelve months. The details that should be published are the same as those set out in paragraph 31
- details of the geographical (eg. by ward) coverage of contracts entered into by the local authority
- details of performance against contractual key performance indicators, and
- information disaggregated by voluntary and community sector category (eg. whether it is registered with Companies House, Charity or Charitable Incorporated Organisation, Community Interest Company, Industrial and Provident Society, Housing Association, etc).

Local authority land

61. It is recommended that local authorities should go further than the minimum publication requirements set out in Part 2 and publish information on a monthly instead of annual basis, or ideally, as soon as it becomes available and therefore known to the authority (commonly known as 'real-time' publication). It is also recommended that local authorities should publish all the information possible on Electronic Property Information Mapping Service.

⁴⁶ Documentation for all procurements valued at over £10,000 is stored on Contracts Finder for public viewing as part of government's transparency commitment. <https://online.contractsfinder.businesslink.gov.uk/>

⁴⁷ Where a contract runs into several hundreds of pages or more, a local authority should publish a summary of the contract or sections of the contract, if this would be more helpful to local people and businesses.

62. It is further recommended that local authorities also go further than the minimum publication requirements set out in paragraph 37 by publishing, alongside them in one place, the following information:

- size of the asset measured in Gross Internal Area (m²) for buildings or hectares for land, in accordance with the Royal Institute of Chartered Surveyors Code of Measuring Practice. The Gross Internal Area is the area of a building measured to the internal face of the perimeter walls at each floor level. Local authorities using Net Internal Area (m²) should convert measurements to Gross Internal Area using appropriate conversion factors⁴⁸ and state the conversion factor used
- services offered from the asset using the services listed in the Effective Services Delivery government service function list <http://doc.esd.org.uk/FunctionList/1.00.html> (listing up to five main services)
- reason for holding asset such as, it is occupied by the local authority or it is providing a service on the authority's behalf, it is an investment property, it supports economic development (eg. provision of small businesses or incubator space), it is surplus to the authority's requirements, it is awaiting development, it is under construction, it provides infrastructure or it is a community asset
- whether or not the asset is either one which is an asset in the authority's ownership that is listed under Part 5 Chapter 3 of the Localism Act 2011 (assets of community value) and/or an asset which the authority is actively seeking to transfer to the community
- total building operation (revenue) costs as defined in the corporate value for money indicators for public services⁴⁹
- required maintenance - the cost to bring the property from its present state up to the state reasonably required by the authority to deliver the service and/or to meet statutory or contract obligations and maintain it at that standard. This should exclude improvement projects but include works necessary to comply with new legislation (eg. asbestos and legionella)
- functional suitability rating using the scale:
 - good – performing well and operating efficiently (supports the needs of staff and the delivery of services)
 - satisfactory – performing well but with minor problems (generally supports the needs of staff and the delivery of services)
 - poor – showing major problems and/or not operating optimally (impedes the performance of staff and/or the delivery of services)
 - unsuitable – does not support or actually impedes the delivery of services
- energy performance rating as stated on the Display Energy Certificate under the Energy Performance of Buildings (England and Wales) Regulations 2012 (as amended).

⁴⁸ Local authorities are not expected to re-measure buildings. Research undertaken for the Scottish Government offers one method of converting Net Internal Area to Gross Internal Area and can be found at: <http://www.scotland.gov.uk/Resource/Doc/217736/0121532.pdf>

⁴⁹ <http://www.nao.org.uk/wp-content/uploads/2013/02/2010-11-Estates-Management.pdf> (See page 17).

Parking spaces

63. It is recommended that local authorities should publish the number of:

- free parking spaces available in the local authority's area and which are provided directly by the local authority, and
- parking spaces where charges apply that are available in the local authority's area and which are provided directly by the local authority.

64. Where parking space is not marked out in individual parking bays or spaces, local authorities should estimate the number of spaces available for the two categories in paragraph 63.

Organisation chart

65. It is recommended that local authorities should go further than the minimum publication requirements set out in Part 2 and publish:

- charts including all employees of the local authority whose salary exceeds £50,000
- the salary band for each employee included in the chart(s), and
- information about current vacant posts, or signpost vacancies that are going to be advertised in the future.

Grants to voluntary, community and social enterprise organisations

66. It is recommended that local authorities should go further than the minimum publication requirements set out in Part 2 and publish information on a monthly instead of annual basis where payments are made more frequently than a single annual payment, or ideally, as soon as the data becomes available and therefore known to the authority (commonly known as 'real-time' publication).

67. It is further recommended that local authorities publish information disaggregated by voluntary and community sector category (eg. whether it is registered with Companies House, charity or charitable incorporated organisation, community interest company, industrial and provident society, housing association, etc).

Fraud

68. It is recommended that local authorities should go further than the minimum publication requirements set out in Part 2 and publish:

- total number of cases of irregularity investigated
- total number of occasions on which a) fraud and b) irregularity was identified
- total monetary value of a) the fraud and b) the irregularity that was detected, and
- total monetary value of a) the fraud and b) the irregularity that was recovered.

Part 3.2: Method of publication

69. The Government endorses the five step journey to a fully open format:

- One star Available on the web (whatever format) but with an open license
- Two star As for one star plus available as machine-readable structured data (eg. Excel instead of an image scan of a table)
- Three star As for two star plus use a non-proprietary format (eg. CSV and XML)
- Four star All of the above plus use open standards from the World Wide Web Consortium (such as RDF and SPARQL²¹)
- Five star All the above plus links an organisation's data to others' data to provide context

70. The Government recommends that local authorities publish data in three star formats where this is suitable and appropriate⁵⁰, alongside open and machine-readable format, within six months of this Code being issued.

Shehla Husain
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Department for Communities and Local Government
27 February 2015

⁵⁰ Statistical data, lists etc should be capable of being published in this format but others (eg. organisation charts) may be more difficult.

Annex A: Table summarising all information to be published

Information title	Information which must be published	Information recommended for publication
<p>Expenditure exceeding £500</p>	<p>Quarterly publication Publish details of each individual item of expenditure that exceeds £500, including items of expenditure, consistent with Local Government Association guidance, such as:</p> <ul style="list-style-type: none"> • individual invoices • grant payments • expense payments • payments for goods and services • grants • grant in aid • rent • credit notes over £500 • transactions with other public bodies. <p>For each individual item of expenditure the following information must be published:</p> <ul style="list-style-type: none"> • date the expenditure was incurred • local authority department which incurred the expenditure • beneficiary • summary of the purpose of the expenditure • amount • Value Added Tax that cannot be recovered • merchant category (eg. computers, software etc). 	<ul style="list-style-type: none"> • Publish information on a monthly instead of quarterly basis, or ideally, as soon as it becomes available and therefore known to the authority (commonly known as ‘real-time’ publication). • Publish details of all transactions that exceed £250 instead of £500. For each transaction the details that should be published remain as set out in paragraph 29. • publish the total amount spent on remuneration over the period being reported on. • classify purpose of expenditure using the Chartered Institute of Public Finance and Accountancy Service Reporting Code of Practice to enable comparability between local authorities.

Information title	Information which must be published	Information recommended for publication
Government Procurement Card transactions	<p>Quarterly publication Publish details of every transaction on a Government Procurement Card. For each transaction, the following details must be published:</p> <ul style="list-style-type: none"> • date of the transaction • local authority department which incurred the expenditure • beneficiary • amount • Value Added Tax that cannot be recovered • summary of the purpose of the expenditure • merchant category (eg. computers, software etc). 	<ul style="list-style-type: none"> • Publish all transactions on all corporate credit cards, charge cards and procurements, including those that are not a Government Procurement Card. For each transaction the details that should be published remain as set out in paragraph 30.
Procurement information	<p>Quarterly publication Publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000. For each invitation, the following details must be published:</p> <ul style="list-style-type: none"> • reference number • title • description of the goods and/or services sought • start, end and review dates • local authority department responsible. <p>Quarterly publication Publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. For each contract, the following details must be published:</p> <ul style="list-style-type: none"> • reference number • title of agreement • local authority department responsible 	<p>Place on Contracts Finder, as well as any other local portal, every invitation to tender or invitation to quote for contracts to provide goods and/or services with a value that exceeds £10,000.</p> <p>Publish:</p> <ul style="list-style-type: none"> • information on a monthly instead of quarterly basis, or ideally, as soon as it is generated and therefore becomes available (commonly known as ‘real-time’ publication) • every invitation to tender for contracts to provide goods and/or services with a value that exceeds £500 instead of £5,000 • details of invitations to quote where there has not been a formal invitation to tender • all contracts in their entirety where the value of the contract exceeds £5,000

Information title	Information which must be published	Information recommended for publication
	<ul style="list-style-type: none"> • description of the goods and/or services being provided • supplier name and details • sum to be paid over the length of the contract or the estimated annual spending or budget for the contract • Value Added Tax that cannot be recovered • start, end and review dates • whether or not the contract was the result of an invitation to quote or a published invitation to tender • whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number. 	<ul style="list-style-type: none"> • company registration number at Companies House • details of invitations to tender or invitations to quote that are likely to be issued in the next twelve months • details of the geographical (eg. by ward) coverage of contracts entered into by the local authority • details of performance against contractual key performance indicators • information disaggregated by voluntary and community sector category (eg. whether it is registered with Companies House, charity or charitable incorporated organisation, community interest company, industrial and provident society, housing association, etc).
Local authority land	<p>Annual publication</p> <p>Publish details of all land and building assets including:</p> <ul style="list-style-type: none"> • all service and office properties occupied or controlled by user bodies, both freehold and leasehold • any properties occupied or run under Private Finance Initiative contracts • all other properties they own or use, for example, hostels, laboratories, investment properties and depots • garages unless rented as part of a housing tenancy agreement • surplus, sublet or vacant properties • undeveloped land • serviced or temporary offices where contractual or actual occupation exceeds three months • all future commitments, for example under an agreement for lease, from when the contractual commitment is made. 	<p>Publish information on a monthly instead of annual basis, or ideally, as soon as it becomes available and therefore known to the authority (commonly known as 'real-time' publication). It is also recommended that local authorities should publish all the information possible on Electronic Property Information Mapping Service.</p> <p>Publish the following additional information:</p> <ul style="list-style-type: none"> • the size of the asset measured in Gross Internal Area (m²) for buildings or hectares for land, in accordance with the Royal Institute of Chartered Surveyors Code of Measuring Practice. The Gross Internal Area is the area of a building measured to the internal face of the perimeter walls at

Information title	Information which must be published	Information recommended for publication
	<p>However, information about the following land and building assets are to be excluded from publication:</p> <ul style="list-style-type: none"> • rent free properties provided by traders (such as information booths in public places or ports) • operational railways and canals • operational public highways (but any adjoining land not subject to public rights should be included) • assets of national security • information deemed inappropriate for public access as a result of data protection and/or disclosure controls (eg. such as refuge houses). <p>Information on social housing is also excluded from this specific dataset.</p> <p>For each land or building asset, the following information must be published together in one place:</p> <ul style="list-style-type: none"> • Unique Property Reference Number • Unique asset identity - the local reference identifier used by the local body, sometimes known as local name or building block. There should be one entry per asset or user/owner (eg. on one site there could be several buildings or in one building there could be several users, floors/rooms etc – where this is the case, each of these will have a separate asset identity). This must include the original reference number from the data source plus authority code • name of the building/land or both • street number or numbers - any sets of 2 or more numbers should be separated with the '-' symbol (eg. 10-15 London Road) • street name – this is the postal road address • post town 	<p>each floor level. Local authorities using Net Internal Area (m²) should convert measurements to Gross Internal Area using appropriate conversion factors and state the conversion factor used</p> <ul style="list-style-type: none"> • the services offered from the asset, using the services listed in the Effective Services Delivery government service function list http://doc.esd.org.uk/FunctionList/1.00.html (listing up to five main services) • the reason for holding asset such as, it is occupied by the local authority or it is providing a service in its behalf, it is an investment property, it supports economic development (eg. provision of small businesses or incubator space), it is surplus to the authority's requirements, it is awaiting development, it is under construction, it provides infrastructure or it is a community asset • whether or not the asset is either one which is an asset in the authority's ownership that is listed under Part 5 Chapter 3 of the Localism Act 2011 (assets of community value) and/or an asset where the authority is actively seeking transfer to the community • total building operation (revenue) costs as defined in the corporate value for money indicators for public services

Information title	Information which must be published	Information recommended for publication
	<ul style="list-style-type: none"> • United Kingdom postcode • map reference – local authorities may use either Ordnance Survey or ISO6709 systems to identify the location of an asset, but must make clear which is being used. Where an Ordnance Survey mapping system is used (the grid system) then assets will be identified using Eastings before Northings. Where geocoding in accordance with ISO 6709 is being used to identify the centre point of the asset location then that reference must indicate its ISO coordinates • whether the local authority owns the freehold or a lease for the asset and for whichever category applies, the local authority must list all the characteristics that apply from the options given below: <ul style="list-style-type: none"> <i>for freehold assets:</i> <ul style="list-style-type: none"> ○ occupied by the local authority ○ ground leasehold ○ leasehold ○ licence ○ vacant (for vacant properties, local authorities should not publish the full address details and should only publish the first part of the postcode) <i>for leasehold assets:</i> <ul style="list-style-type: none"> ○ occupied by the local authority ○ ground leasehold ○ sub leasehold ○ licence <i>for other assets:</i> <ul style="list-style-type: none"> ○ free text description eg. rights of way, access etc. • whether or not the asset is land only (without permanent buildings) or it is land with a permanent building. 	<ul style="list-style-type: none"> • required maintenance - the cost to bring the property from its present state up to the state reasonably required by the authority to deliver the service and/or to meet statutory or contract obligations and maintain it at that standard. This should exclude improvement projects but include works necessary to comply with new legislation (eg. asbestos and legionella) • functional suitability rating using the scale: <ul style="list-style-type: none"> ○ good – performing well and operating efficiently (supports the needs of staff and the delivery of services) ○ satisfactory – performing well but with minor problems (generally supports the needs of staff and the delivery of services) ○ poor – showing major problems and/or not operating optimally (impedes the performance off staff and/or the delivery of services) ○ unsuitable – does not support or actually impedes the delivery of services • energy performance rating as stated on the Display Energy Certificate under the Energy Performance of Buildings (England and Wales) Regulations 2012 (as amended).

Information title	Information which must be published	Information recommended for publication
Social housing asset value	<p>Annual publication Publish details on the value of social housing assets within local authorities' Housing Revenue Account.</p> <p>Information to be published using the specified value bands and postal sector:</p> <ul style="list-style-type: none"> • total number of homes • the aggregate value and mean value of the dwellings for both existing use value (social housing) and market value, and • percentage of homes that are vacant and that are tenanted. <p>Information to be published at a general level:</p> <ul style="list-style-type: none"> • an explanation of the difference between the tenanted sale value of homes within the Housing Revenue Account and their market sale value, and • an assurance that the publication of this information is not intended to suggest that tenancies should end to realise the market value of properties. <p>Other residential tenanted properties that the authority may hold within their General Fund are excluded from this specific dataset, as is information on other building assets or land that local authorities hold within their Housing Revenue Account.</p>	
Grants to voluntary, community and social enterprise organisations	<p>Annual publication Publish details of all grants to voluntary, community and social enterprise organisations. This can be achieved by either:</p> <ul style="list-style-type: none"> • tagging and hence specifically identifying transactions which relate to voluntary, community and social enterprise organisations within published data on expenditure over £500 or published procurement information, or • by publishing a separate list or register. 	<ul style="list-style-type: none"> • Publish information on a monthly instead of annual basis where payments are made more frequently than a single annual payment, or ideally, as soon as the data becomes available and therefore known to the authority (commonly known as 'real-time' publication).

Information title	Information which must be published	Information recommended for publication
	<p>For each identified grant, the following information must be published as a minimum:</p> <ul style="list-style-type: none"> • date the grant was awarded • time period for which the grant has been given • local authority department which awarded the grant • beneficiary • beneficiary's registration number • summary of the purpose of the grant • amount 	<ul style="list-style-type: none"> • information disaggregated by voluntary and community sector category (eg. whether it is registered with Companies House, charity or charitable incorporated organisation, community interest company, industrial and provident society, housing association etc).
Organisation chart	<p>Annual publication Publish an organisation chart covering staff in the top three levels of the organisation. The following information must be included for each member of staff included in the chart:</p> <ul style="list-style-type: none"> • grade • job title • local authority department and team • whether permanent or temporary staff • contact details • salary in £5,000 brackets, consistent with the details published for Senior Salaries • salary ceiling (the maximum salary for the grade). 	<p>Local authorities should publish:</p> <ul style="list-style-type: none"> • charts including all employees in the local authority whose salary exceeds £50,000 • the salary band for each employee included in the chart(s) • information about current vacant posts, or signpost vacancies that are going to be advertised in the future.
Trade union facility time	<p>Annual publication Publish the following information:</p> <ul style="list-style-type: none"> • total number (absolute number and full time equivalent) of staff who are union representatives (including general, learning and health and safety representatives) • total number (absolute number and full time equivalent) of union representatives who devote at least 50 per cent of their time to union duties • names of all trade unions represented in the local authority 	

Information title	Information which must be published	Information recommended for publication
	<ul style="list-style-type: none"> • a basic estimate of spending on unions (calculated as the number of full time equivalent days spent on union duties multiplied by the average salary), and • a basic estimate of spending on unions as a percentage of the total pay bill (calculated as the number of full time equivalent days spent on union duties multiplied by the average salary divided by the total pay bill). 	
Parking account	<p>Annual publication Publish on their website, or place a link on their website to this data published elsewhere:</p> <ul style="list-style-type: none"> • a breakdown of income and expenditure on the authority's parking account. The breakdown of income must include details of revenue collected from on-street parking, off-street parking and Penalty Charge Notices • a breakdown of how the authority has spent a surplus on its parking account. 	
Parking spaces	<p>Annual publication Publish the number of marked out controlled on and off-street parking spaces within their area, or an estimate of the number of spaces where controlled parking space is not marked out in individual parking bays or spaces.</p>	<p>Local authorities should publish the number of:</p> <ul style="list-style-type: none"> • free parking spaces available in the local authority's area and which are provided directly by the local authority, and • parking spaces where charges apply that are available in the local authority's area and which are provided directly by the local authority. <p>Where parking space is not marked out in individual parking bays or spaces, local authorities should estimate the number of spaces available for the two categories.</p>

Information title	Information which must be published	Information recommended for publication
Senior salaries	<p>Annual publication</p> <p>Local authorities must place a link on their website to the following data or must place the data itself on their website:</p> <ul style="list-style-type: none"> • the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000 • details of remuneration and job title of certain senior employees whose salary is at least £50,000 • employees whose salaries are £150,000 or more must also be identified by name. • a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and 'benefits in kind', for all employees whose salary exceeds £50,000. 	
Constitution	<p>Annual publication</p> <p>Local authorities must publish their Constitution on their website.</p>	
Pay multiple	<p>Annual publication</p> <p>Publish the pay multiple on their website defined as the ratio between the highest 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. The measure must:</p> <ul style="list-style-type: none"> • cover all elements of remuneration that can be valued (eg. all taxable earnings for the given year, including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind) • use the median earnings figure as the denominator, which should be that of all employees of the local authority on a fixed date each year, coinciding with reporting at the end of the financial year • exclude changes in pension benefits, which due to their variety and complexity cannot be accurately included in a pay multiple disclosure. 	

Information title	Information which must be published	Information recommended for publication
Fraud	Annual publication Publish the following information: <ul style="list-style-type: none"> • number of occasions they use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers • total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud • total number (absolute and full time equivalent) of professionally accredited counter fraud specialists • total amount spent by the authority on the investigation and prosecution of fraud • total number of fraud cases investigated. 	Local authorities should publish: <ul style="list-style-type: none"> • total number of cases of irregularity investigated • total number of occasions on which a) fraud and b) irregularity was identified • total monetary value of a) the fraud and b) the irregularity that was detected, and • total monetary value of a) the fraud and b) the irregularity that was recovered.
Waste contracts	One-off publication Local authorities must publish details of their existing waste collection contracts, in line with the details contained in paragraphs 32 of the Code, at the point they first publish quarterly contract information under Part 2 of this Code.	

Annex B: Detecting and preventing fraud

Tackling fraud is an integral part of ensuring that tax-payers money is used to protect resources for frontline services. The cost of fraud to local government is estimated at £2.1 billion a year. This is money that can be better used to support the delivery of front line services and make savings for local tax payers.

A culture of transparency should strengthen counter-fraud controls. The Code makes it clear that fraud can thrive where decisions are not open to scrutiny and details of spending, contracts and service provision are hidden from view. Greater transparency, and the provisions in this Code, can help combat fraud.

Sources of support to tackle fraud include:

Fighting Fraud Locally, The Local Government Fraud Strategy

(https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118508/strategy-document.pdf), was drafted by the National Fraud Authority and CIPFA (the Chartered Institute of Public Finance and Accountancy). The document calls for the adoption of a tougher approach to tackle fraud against local authorities. The strategy is part of a wider collaboration on counter fraud and is the local authority contribution to the national fraud strategy – *Fighting Fraud Together* (<https://www.gov.uk/government/publications/nfa-fighting-fraud-together>) which encompasses both the public and private sectors response to fraud in the UK.

Local authorities should use a risk management approach with strong internal control arrangements to reduce the risk of any payment fraud as a result of publishing public data. Local authorities should refer to the *Chartered Institute of Public Finance and Accountancy Code of Practice on Managing the Risk of Fraud and Corruption* (<http://www.cipfa.org/services/counter-fraud-centre/code-of-practice>). The document sets out a step by step toolkit to tackling fraud: identifying and understanding your fraud risks and potential exposure to fraud loss; assessing current resilience to fraud; evaluating the organisation's ability to respond to potential or identified fraud; and developing a strategy. Developing an anti-fraud culture is an important part of improving resilience; the benefits of improving resilience to fraud include reduced exposure to fraud and an organisation that is better able to identify attempted frauds or vulnerabilities.

The National Fraud Authority have produced a guide on procurement fraud, *Procurement Fraud in the Public Sector*, (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118460/procurement-fraud-public-sector.pdf) which deals with the whole process, from bidding during the pre-contract award phase through to false invoicing in the post-contract award phase.


There are some specific steps local authorities can take to prevent procurement fraud. These might include:

- only accepting requests for changes to supplier standing data in writing

- seeking confirmation from the supplier that the requested changes are genuine, using contact details held on the vendor data file or from previous and legitimate correspondence; and not contacting the supplier via contact details provided on the letter requesting the changes
- ensuring that there is segregation of duties between those who authorise changes and those who make them
- only authorising changes when all appropriate checks have been carried out with legitimate suppliers and only making the changes when the proper authorisations to do so have been given
- maintaining a suitable audit trail to ensure that a history of all transactions and changes is kept
- producing reports of all changes made to supplier standing data and checking that the changes were valid and properly authorised before any payments are made
- carrying out standard checks on invoices before making any payments, and
- regularly verifying the correctness of standing data with suppliers.

Annex C: Social housing asset data to be published

Postal Sector	Valuation Band Range	Intervening bands	Dwellings value				Tenure status		
			Total number social housing dwellings	EUV-SH Values		Market Values		% occupied dwellings	% vacant dwellings
				Total	Average	Total	Average		
PO1 1**	<£50,000 - £99,999	<£50,000							
		£50,000 - £59,999							
		£60,000 - £69,999							
		£70,000 - £79,999							
		£80,000 - £89,999							
		£90,000 - £99,999							
	£100,000 - £299,999	£100,000 - £119,999							
		£120,000 - £139,999							
		£140,000 - £159,999							
		£160,000 - £179,999							
		£180,000 - £199,999							
		£200,000 - £219,999							
		£220,000 - £239,999							
		£240,000 - £259,999							
		£260,000 - £279,999							
		£280,000 - £299,999							
	£300,000 - £499,999	£300,000 - £349,999							
		£350,000 - £399,999							
		£400,000 - £449,999							
		£450,000 - £499,999							
	£500,000 - £999,999	£500,000 - £599,999							
		£600,000 - £699,999							
		£700,000 - £799,999							
		£800,000 - £899,999							
		£900,000 - £999,999							
	£1m - £2,999,999>	£1,000,000 - £1,499,999							
		£1,500,000 - £1,999,999							
		£2,000,000 - £2,499,999							
		£2,500,000 - £2,999,999							
		£3,000,000>							

Non-Executive Report of the: HR Committee 21 st January 2016	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director Resources	Classification: Unrestricted
Repayment of public sector exit payments (to be read in conjunction with Report on Pay Policy 2016-17)	

Originating Officer(s)	Simon Kilbey – Service Head HR&WD
Wards affected	All wards

Summary

The Small Business, Enterprise and Employment Act 2015 became law on 26th March 2015. The Act includes provision for secondary legislation in relation to the repayment of public sector exit payments. Draft Repayment of Public Sector Exit Payments Regulations 2015 (Appendix 1) have been created, which are due to come into force on 1st April 2016.

The regulations will require public sector employees or office holders earning more than £100,000 per annum to repay exit payments on a pro rata basis if they return to the same part of the public sector within 12 months.

This paper provides a summary of the draft regulations for information. This report should be read in conjunction with the report on Pay Policy Statement 2016-17.

Recommendations:

HR Committee is recommended to:-

Note the information in the report

1. **REASONS FOR THE DECISIONS**
 - 1.1 The report is for information only.

2. ALTERNATIVE OPTIONS

2.1 The report is for information only..

3. DETAILS OF REPORT

3.1 The requirement to repay public sector exit payments has been triggered by evidence that many senior employees re-joined the public sector within a year after receiving redundancy payments from the same or another public sector organisation.

3.2 In particular, evidence was cited from the Health Select Committee, which found that of 19,000 NHS redundancies, 17% had been rehired and most within a year. An Audit Commission report in 2010 found that of 37 chief executives who left by mutual agreement over a 2 year period from January 2007, 6 had been employed in another council within 12 months.

3.3 The draft regulations provide guidance in the following areas:

- Exit payments
- Organisational sub-sectors
- Repayment of exit payments
- Duties
- Waiver

Further details on each of these areas is set out below

Exit Payments

3.4 The draft regulations state that:

Regulation 3(1) *“These Regulations apply to the following payments made in connection with a loss of employment or offices-*

- (a) a payment in account of dismissal by reason of redundancy;*
- (b) a payment made consequently upon a voluntary exit from employment;*
- (c) a payment made by way of shares consequent upon a loss of employment;*
- (d) a payment to reduce or eliminate an actuarial reduction to a pension upon early retirement;*
- (e) a payment made to extinguish any liability to pay money under a fixed term contract; and*
- (f) any other payment made as a consequence of, in relation to, or conditional upon, loss of employment.*

Regulation 3(1)(d) does not include a payment made under regulation 30(7) of the Local Government Pension Scheme Regulations 2013(a) (payment of retirement pension to an employee aged 55 or over who is dismissed by reason of redundancy or business efficiency).

Regulation 3(f) does not include a payment made in order to give effect to a term of the contract of employment, including—
(a) a payment made in respect of leave due under the contract but not taken;
(b) a payment made in respect of a period of notice due under the contract but not served; or
(c) a bonus payment otherwise due under a term of the contract of employment.

These Regulations do not apply to an exit payment made to an exit payee who, in the period of 12 months prior to the end of their employment, or before they ceased to hold office, earned remuneration of under £100,000.

These Regulations do not apply to an exit payment made to an exit payee—
(a) who left employment or office after a period of under 12 months in that employment or office; and
(b) during the time they were in employment or office, they earned remuneration under $N \times £8,333.34$, where N is equal to the number of time that they were in employment or office, rounded down to the nearest number of whole months.

- 3.5 The Regulations state that payments made under regulation 30(7) of the Local Government Pension Scheme Regulations 2013(a) are not included. This relates to the immediate payment of retirement pension “where an active member aged 55 or over is dismissed from employment by reason of redundancy or business efficiency, or whose employment is terminated by mutual consent on grounds of business efficiency.”

Sub-Sectors

- 3.6 Sub-sectors are groups of bodies that have been determined to have workforce or operational similarities. Exit payments will be required to be repaid if an exit payee enters into a new ‘contract for services’ within the same sub-sector within a period of 12 months.
- 3.7 There are 5 separate sub-sectors. These are:
- Civil service
 - Local government
 - Health
 - Education
 - Office for National Statistics
- 3.8 The local government sub-sector contains the following bodies or offices:
- Department for Communities and Local Government
 - Council in England
 - Council in Wales
 - Council in Northern Ireland
 - Local authority company
 - Local body
 - Council in Scotland*

- Local body in Scotland*

*for these bodies, repayment is only required where the exit payee leaves one of the other bodies within the list and joins this body within 12 months. Repayment is not required where an exit payee leave this body and joins another within the list.

- 3.9 The Draft Regulations state that *“a relevant contract for services is a contract for services with the new employer under which the exit payee provides service to the new employer—*
(a) as the employee of another person; or
(b) as a self-employed person;
and the service provided to the new employer accounts for more than 50% of the exit payee’s new employment or self-employment.”

Repayment of exit payments

- 3.10 An exit payee is deemed to have received the exit payment upon the same day as they left the employment or ceased to hold the office in respect of which the exit payment was made.
- 3.11 Where an exit payee undertakes a new contract for services within 28 days of receiving the exit payment, this must be repaid in full.
- 3.12 A proportion of the exit payment must be repaid where an exit payee undertakes a new contract for services after 28 days but before 12 months of receiving the exit payment. A calculation is provided within the Regulations to determine the repayment amount.

Duties

- 3.13 The Draft Regulations state that bodies making an exit payment that may be subject to these regulations must:
- “(a) inform the exit payee that if they take up employment or enter into a contract for services with a body, or take up a public office, in the same subsector, then they may be liable to repay some or all of that exit payment under these Regulations; and*
(b) keep a record of that payment for 12 months.”
- 3.14 *“The exit payee shall inform the old employer and the new employer of the fact that there has been an exit payment, and that there may be an obligation to repay some or all of that exit payment under these Regulations.”*
- 3.15 The Draft Regulations state that *the exit payee, old employer, and new employer shall co-operate with each other, and supply each other with sufficient information, to enable the exit payee to make arrangements to repay all or part of the exit payment. No further detail has been provided as to how this information should be passed between organisations.*

- 3.16 The new employment must not start until arrangements have been made to repay the required payment.
- 3.17 In the event that the amount is not repaid to the old employer within a 'reasonable time', the new employer must consider whether to:
- (a) dismiss the exit payee from the new employment;*
 - (b) stop the exit payee from working under the relevant contract for services;*
 - or*
 - (c) remove the exit payee from the new office.*

Waiver

- 3.18 Designated persons can waive, in whole or in part, the requirement for an exit payee to repay the exit payment. For the local government sub-sector, this is the Secretary of State for Communities and Local Government.
- 3.19 This power can be delegated to a local authority. Notes on the Regulations produced by HM Treasury suggest that they will set out, in further guidance, that the exercise of the waiver power will need to be authorised by a vote of the Full Council.

Credit for previous service

- 3.20 As part of the response to the government consultation exercise, a question was raised about whether employers could give individuals credit for previous service, where recovery of payments occurs and the contract of employment is later terminated at the employer's request.
- 3.21 The government have clarified that they will not cover this issue in legislation but rather employers will have the discretion to credit individuals for previous service. There is no further guidance on the circumstances when this may apply. Given this, it is suggested that benchmarking be undertaken to establish the approach of other authorities.
- 3.22 The ability to give credit for previous service could, for example, be used in areas where there is a skills shortage as a recruitment incentive, which would be pre-determined for a particular post as part of the recruitment process before the post was advertised. Further guidance and a sense of what other authorities are doing is awaited.
- 3.23 Guidance on the Regulations will be produced once the issues become clearer on publication of the final draft of the Regulations and any accompanying national guidance.

Pay Policy

- 3.24 The proposed Pay Policy 2016-17 includes a paragraph that covers the requirement for repayment of public sector exit payments (See Pay Policy Report). This may need to be amended in light of further guidance or amended regulations.

Issues for Clarification/Noting

3.25 The Regulations could have potential implications in the following areas, and some of these issues require further clarity before requisite changes can be made: -

- The time taken to appoint interim senior managers may be extended as they would potentially be subject to the Regulations
- The requirements of the Regulations could lead to delays in recruitment
- The council's reference form will need to include information about an individual's previous salary
- As part of the Council's recruitment practice for employees, agency workers and contractors, individual applicants will need to be asked whether they fall under the Regulations
- The route for dismissing someone who fails to comply with repayment under the Regulations is not clear – would this be through the disciplinary process or dismissal for some other substantial reason
- Contracts of employment for those earning over £100k need to be reviewed/existing employees written to and informed of the change
- Leavers that the Regulations apply to will need to be notified of their implications upon leaving
- A process for applying a waiver will need to be set out

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 This report is for information only. There are no financial implications.

5. LEGAL COMMENTS

5.1 The legal considerations are set out in the body of the report and therefore there are no additional legal implications arising.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1 The report is for information only. Any changes to policy of a result of legislative changes would be assessed at the time.

7. BEST VALUE (BV) IMPLICATIONS

7.1 The report sets out legislative changes which the council will have to adopt. The changes ensure that the public sector does not lose money if senior staff move from one public sector organisation to a similar organisation within 12 months.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no implications.

9. RISK MANAGEMENT IMPLICATIONS

9.1 There are no direct risk management implications arising from this report.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no implications.

Linked Reports, Appendices and Background Documents

Linked Report

Pay Policy 2016-17 Report

Appendices

Appendix 1– Draft Repayment of Public Sector Exit Payments Regulations
2015

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.

NONE

Officer contact details for documents:

- Simon Kilbey, Service Head (HR/WD) 020 7364 4922

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2015 No. 0000

EMPLOYMENT

**The Repayment of Public Sector Exit Payments Regulations
2015**

Made - - - - ***
Laid before Parliament ***
Coming into force - - 1st April 2016

Two Lords Commissioners of Her Majesty's Treasury, in exercise of the power conferred by [clause 149(1)] of the [Small Business, Enterprise and Employment Bill](a) upon them, make the following Regulations.

PART 1

General

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Repayment of Public Sector Exit Payments Regulations 2015.

(2) These Regulations come into force on 1st April 2016 and have effect from the day they come into force.

(3) These Regulations extend to the whole of the United Kingdom.

Interpretation

2. In these Regulations—

“exit payment” means a payment of a type prescribed in regulation 3;

“new employer” has the meaning set out in regulation 10;

“old employer” has the meaning set out in regulation 9;

“part time basis” means employment or contracted work over any given month when the average hours of work required by the employment or contract is less than 37.5 per week;

“redundancy” has the meaning set out in section 139 of the Employment Rights Act 1996(b);

“relevant contract for services” has the meaning set out in regulation 11;

(a) 2014 c.x

(b) 1996 c.18

“relevant Schedule”, in relation to a sub-sector, has the meaning set out in regulation 8(3);

“remuneration” includes—

- (i) salary or wages;
- (ii) bonus payments mandated by any contract;
- (iii) payments by way of shares; and

“sub-sector” has the meaning set out in regulation 8(1).

PART 2

Exit Payments

3.—(1) Subject to regulation 7 below, these Regulations apply to the following payments made in connection with a loss of employment or offices—

- (a) a payment in account of dismissal by reason of redundancy;
- (b) a payment made consequently upon a voluntary exit from employment;
- (c) a payment made by way of shares consequent upon a loss of employment;
- (d) a payment to reduce or eliminate an actuarial reduction to a pension upon early retirement;
- (e) a payment made to extinguish any liability to pay money under a fixed term contract; and
- (f) any other payment made as a consequence of, in relation to, or conditional upon, loss of employment.

(2) The provisions of paragraph (1) are subject to the provisions of regulations 4 to 7 below.

(3) For the purpose of these Regulations, the payments listed in paragraph (1) shall be described as “exit payments”.

4. Regulation 3(d) does not include a payment made under regulation 30(7) of the Local Government Pension Scheme Regulations 2013(a).

5. Regulation 3(f) does not include a payment made in order to give effect to a term of the contract of employment, including—

- (a) a payment made in respect of leave due under the contract but not taken;
- (b) a payment made in respect of a period of notice due under the contract but not served; or
- (c) a bonus payment otherwise due under a term of the contract of employment.

6. Regulation 3(f) does not include any payment made in compliance with an order of any court.

7.—(1) These Regulations do not apply to an exit payment made to an exit payee who, in the period of 12 months prior to the end of their employment, or before they ceased to hold office, earned remuneration of under £100,000.

(2) These Regulations do not apply to an exit payment made to an exit payee—

- (a) who left employment or office after a period of under 12 months in that employment or office; and
- (b) during the time they were in employment or office, they earned remuneration under $N \times £8,333.34$

where N is equal to the number of time that they were in employment or office, rounded down to the nearest number of whole months.

(a) S.I. 2013/2356

(3) When calculating the remuneration earned by an exit payee under paragraph (1) or (2) above, if the exit payee works on a part time basis, then:

- (a) for each week that the exit payee works under 3 hours, multiply the actual earnings by 0;
- (b) for each week that the exit payee works 3 or more hours, but under 7.5 hours, multiply the actual earnings by 5;
- (c) for each week that the exit payee works 7.5 or more hours, but under 15 hours, multiply the actual earnings by 2.5;
- (d) for each week that the exit payee works 15 or more hours, but under 22.5 hours, multiply the actual earnings by 1.66; and
- (e) for each week that the exit payee works 22.5 or more hours, but under 30 hours, multiply the actual earnings by 1.25.

PART 3

Sub-sectors and employers

8.—(1) In these Regulations, a reference to a sub-sector refers to one of the groups of bodies and offices listed in paragraph (2).

(2) The sub-sectors are:

- (a) The civil service sub-sector is the bodies and offices listed in Schedule 1;
- (b) The local government sub-sector is the bodies and offices listed in Schedule 2;
- (c) The health sub-sector is the bodies and offices listed in Schedule 3;
- (d) The education sub-sector is the bodies and offices listed in Schedule 4; and
- (e) The Office for National Statistics sub-sector is the body listed in Schedule 5.

(3) In relation to a sub-sector listed in paragraph (2), a reference to the relevant Schedule refers to the Schedule containing the bodies and offices that form that sub-sector.

9. In these Regulations, the old employer means—

- (a) the body listed in the relevant Schedule with which has made an exit payment to the exit payee; or
- (b) the responsible authority for the office listed in the relevant Schedule in respect of which the exit payee has received an exit payment consequent upon ceasing to hold that office.

10. In these Regulations, the new employer means—

- (a) the subsequent authority listed in the relevant Schedule with which the exit payee has taken up new employment;
- (b) the subsequent authority listed in the relevant Schedule which has entered into a relevant contract for services; or
- (c) the subsequent authority for the office listed in the relevant Schedule which the exit payee has taken up.

11. In these Regulations, a relevant contract for services is a contract for services with the new employer under which the exit payee provides service to the new employer—

- (a) as the employee of another person; or
- (b) as a self-employed person;

and the service provided to the new employer accounts for more than 50% of the exit payee's new employment or self-employment.

PART 4

Repayment of exit payments

12. For the purposes of these Regulations, an exit payee is deemed to have received the exit payment upon the same day as they left the employment or ceased to hold the office in respect of which the exit payment was made.

13.—(1) Regulations 14 and 15 apply to exit payees who—

- (a) receive an exit payment to which regulation 3 applies upon—
 - (i) leaving the employment of a body listed in the first column of the table in the relevant Schedule; or
 - (ii) ceasing to hold the office listed in the first column of the table in the relevant Schedule;
- (b) and who—
 - (i) takes up employment with a body listed in the first or second column of the table in the relevant Schedule;
 - (ii) enters into a relevant contract for services with a body listed in the first or second column of the table in the relevant Schedule; or
 - (iii) takes up an office listed in the first or second column of the table in the relevant Schedule.

(2) Regulations 14 and 15 do not apply to exit payees who—

- (i) take up employment with a body listed in the first or second column of the table in the relevant Schedule;
- (ii) enters into a relevant contract for services with a body listed in the first or second column of the table in the relevant Schedule; or
- (iii) take up an office listed in the first or second column of the table in the relevant Schedule;

where the employment, contract for services, or period holding office lasts for less than 15 days in any period of 90 consecutive days.

14. Where this regulation applies, if the exit payee satisfies the conditions in regulation 13(1) within 28 days of receiving the exit payment, the exit payee must repay the exit payment to the old employer in full.

15.—(1) Where this regulation applies, if the exit payee satisfies the conditions in regulation 13(1) after 28 days, but before 12 months, of receiving the exit payment, the exit payee must repay to the old employer the amount of the exit payment calculated in accordance with this regulation.

(2) That amount is calculated as—

$$A - (((B/12) \times C) + D)$$

where—

A is the amount of the exit payment;

B is the remuneration of the exit payee for the 12 months prior to the exit payment being made;

C is the amount of months or part months that have passed between the exit payment being made and the exit payee becoming liable to repay the exit payment under these Regulations; and

D is the amount of tax and national insurance contributions paid by the exit payee in relation to the exit payment.

(3) Where the remuneration—

- (a) for employment with the new employer;

- (b) due to be paid the exit payee under a relevant contract for services; or
- (c) paid in respect of the new office;

is less than the remuneration received by the employment or office in respect of which the exit payment was made, the amount of the exit payment due to be repaid calculated under paragraph (2) is further reduced by the proportional difference between the remuneration of the old employment or office and the new employment, office, or relevant contract for services.

(4) Where an exit payee receives an exit payment in relation to a full time role in employment or office, and returns to work to a part time role in employment, under a relevant contract for services, or in office, the amount of the exit payment due to be repaid calculated under paragraph (2) is further reduced by the proportion of time the new part time role is less than the old full time role.

(5) Where the amount calculated under paragraph (2) is equal to or less than:

- (a) the amount of statutory redundancy pay due under section 162 of the Employment Rights Act 1996(a); or
- (b) where the exit payee did not have an entitlement to statutory redundancy pay calculated under that section, the amount of statutory redundancy pay that would have been due under that section if it had applied;

the amount of the exit payment due to be repaid is equal to zero.

(6) In any case where the amount calculated under this regulation is equal to or less than zero, the amount of the exit payment due to be repaid is equal to zero.

PART 5

Duties

16. Where an exit payment is made that may become subject to repayment under regulations 14 and 15, the responsible authority shall—

- (a) inform the exit payee that if they take up employment or enter into a contract for services with a body, or take up a public office, in the same subsector, then they may be liable to repay some or all of that exit payment under these Regulations; and
- (b) keep a record of that payment for 12 months.

17. When an exit payee, within a year of receiving an exit payment, applies to—

- (a) take up employment with a new employer listed in the first or second columns of the relevant Schedule;
- (b) start work under a relevant contract for services with a new employer listed in the first or second columns of the relevant Schedule; or
- (c) take up an office listed in the first or second columns of the relevant Schedule;

the exit payee shall inform the old employer and the new employer of the fact that there has been an exit payment, and that there may be an obligation to repay some or all of that exit payment under these Regulations.

18. Where it becomes apparent that if the exit payee were to—

- (a) take up employment with a new employer listed in the first or second columns of the relevant Schedule;
- (b) start work under a relevant contract for services with a new employer listed in the first or second columns of the relevant Schedule; or
- (c) take up an office listed in the first or second columns of the relevant Schedule;

(a) 1996 c.18

the exit payee shall enter into such arrangements with the new and old employers as are necessary to repay to the old employer the amount of the exit payment that is due to be repaid under regulations 14 and 15.

19.The arrangements under regulation 18 shall include arrangements to—

- (a) pay by lump sum;
- (b) pay by instalments; or
- (c) pay by any other method the old employer considers to be appropriate.

20. The exit payee, old employer, and new employer shall co-operate with each other, and supply each other with sufficient information, to enable the exit payee to make arrangements under regulation 18.

21.When arrangements under regulation 18 have been made, the old employer shall confirm to the new employer that the arrangements have been made.

22.The exit payee may not—

- (a) take up employment with a new employer listed in the first or second columns of the relevant Schedule;
- (b) start work under a relevant contract for services with a new employer listed in the first or second columns of the relevant Schedule; or
- (c) take up an office listed in the first or second columns of the relevant Schedule;

until they have made such arrangements with the new and old employers as are necessary to repay to the old employer the amount of the exit payment that is due to be repaid under these Regulations.

23.—(1) Once the exit payee—

- (a) takes up employment with a new employer listed in the first or second columns of the relevant Schedule;
- (b) starts work under a relevant contract for services with a new employer listed in the first or second columns of the relevant Schedule; or
- (c) takes up an office listed in the first or second columns of the relevant Schedule;

then they must within a reasonable time repay to the old employer the amount of the exit payment that is due to be repaid under these Regulations.

24. The old employer must take all reasonable steps to collect any repayment due to be repaid under these Regulations.

25. In the event that the exit payee does not repay, to the old employer and within a reasonable time, the amount of the exit payment that is due to be repaid under regulations 14 and 15, then the new employer must consider whether to—

- (a) dismiss the exit payee from the new employment;
- (b) stop the exit payee from working under the relevant contract for services; or
- (c) remove the exit payee from the new office.

PART 6

Waiver

26.—(1) This regulation sets out the persons who may waive, in whole or in part, the requirement upon an exit payee to repay an exit payment under these Regulations.

(2) If that power is exercised to waive the requirement to repay an exit payment under these Regulations, then—

- (a) regulations 14 and 15 do not apply to the exit payment; and

(b) the duties and obligations under regulations 17 to 25 no longer apply to the exit payee, the old employer, and the new employer.

(3) Those persons are—

(a) for the civil service sub-sector—

(i) the Secretary of State; or

(ii) the Minister for the Cabinet Office;

(b) for the local government sub-sector, the Secretary of State for Communities and Local Government;

(c) for the health sub-sector, the Secretary of State for Health;

(d) for the education sub-sector, the Secretary of State for Education; and

(e) for the Office for National Statistics sub-sector, the Office for National Statistics.

(4) The persons who under this regulation may waive the requirement to repay an exit payment under these Regulations may delegate that power to—

(a) Welsh Ministers, in respect of a public body or office in Wales;

(b) the Department for Finance and Personal, in respect of a public body or office in Northern Ireland; or

(c) a local authority, in respect of a body or office in the local government sub-sector.

(5) Such a delegation may also include the power to sub-delegate the power.

27. Where a person exercises the power to waive the requirement to repay an exit payment under these Regulations, they shall:

(a) keep a record of the exercise of that power and the reasons for it for at least 12 months; and

(b) publish, as part of annual accounts or in a list published at the start of the financial year, a list of all the times in the preceding twelve months that they have exercised that power and the reasons for it.

28.—(1) The Treasury may issue guidance to persons who can exercise the power in regulation 26 to waive the requirement upon an exit payee to repay an exit payment under these Regulations.

(2) In the event that the Treasury issue such guidance, those persons must follow it.

Signed

Name
a Lord Commissioner of Her Majesty's Treasury

[date]

Name
a Lord Commissioner of Her Majesty's Treasury

SCHEDULES

SCHEDULE 1

The civil service sub-sector

Government Department	Scottish Government Department
Non-Departmental public body in England	Non-Departmental public body in Scotland
Welsh Government Department	
Non-Departmental public body in Wales	
Northern Ireland Executive Department	
Non-Departmental public body in Northern Ireland	

SCHEDULE 2

The local government sub-sector

Department for Communities and Local Government	Council in Scotland
Council in England	Local body in Scotland
Council in Wales	
Council in Northern Ireland	
Local authority company	
Local body	

SCHEDULE 3

The health sub-sector

Department for Health	NHS Trust in Scotland
NHS Trust in England	
NHS Trust in Wales	

SCHEDULE 4

The education sub-sector


Department for Education	Local authority school in Scotland
Academy in England	
Local authority school in England	
Local authority school in Wales	

SCHEDULE 5

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Agenda Item 4.5

Non-Executive Report of the: HR Committee 21 st January 2016	 TOWER HAMLETS
Report of: Service Head Human Resources and Workforce Development.	Classification: Unrestricted
Senior Management Update / Recruitment to Vacancies	

Originating Officer(s)	Simon Kilbey, Service Head, Human Resources & Workforce Development
Wards affected	All

Summary

This report provides members with updated information on current senior management vacancies. Having ensured the stability of the management structure through both permanent and interim positions, action is being progressed to ensure that permanent appointments are concluded as soon as possible where there are currently interim engagements. This report sets out the actions underway and the recruitment timetables for this process.

Recommendations:

The HR Committee is recommended to:

1. Note the progress on recruitment to Senior Management vacancies of Director of Adults' Services, Corporate Director Children's Services, Service Head, Finance and Procurement, Service Head Public Realm, Service Head Legal, Service Head Communications and Marketing, Service Head Learning & Achievement and Service Head, Commissioning and Health.
2. Note that the post of Service Head, Corporate Strategy and Equality has become vacant and that arrangements have been made to cover the duties on an interim basis whilst recruitment is progressed.
3. Agree to the continuation of interim arrangements for covering the posts of Corporate Director Children's Services and Director of Adults' Services until

the recruitment processes are complete and newly appointed directors take up office.

4. Note the Performance Management Process for the Chief Executive

1. REASONS FOR THE DECISIONS

- 1.1 The appointment to permanent positions provides long term stability and enhances the ability to lead and deliver the Council's medium term priorities. It is anticipated that all of the senior management vacancies will be filled on a permanent basis within the next six months. In the meantime, it is important to maintain the interim arrangements in order to avoid any disruption to work in progress.

2. ALTERNATIVE OPTIONS

- 2.1 A number of recruitment exercises have now been completed and resulted in permanent appointments. Interim arrangements are in place for others and there is the option to continue with these arrangements. However it is important to ensure that there is stability at the most senior levels of the organisation to support the Mayor and Chief Executive in the continued delivery of services to the community.

3. DETAILS OF REPORT

3.1 Background

- 3.1.1 HR Committee at its meeting on 28th October 2015 received information on the proposed recruitment exercises for the Corporate Director Children's Services, Director of Adults' Services, Service Head Public Realm, Service Head Communications and Marketing and the Service Head, Finance and Procurement (previously designated Service Head, Finance, Risk and Accountability). The Committee were also advised on the situation regarding recruitment to the Service Head, Commissioning and Health and Service Head, Learning and Achievement.

- 3.1.3 Recruitment consultants on the Council's framework for Executive Recruitment have been selected to support the recruitment process. Penna are working on the search for Corporate Director Children's Services, Director of Adults' Services, Service Head Public Realm and Service Head Finance and Procurement. Penna had already been engaged on the search for Service Head, Learning and Achievement and have now been selected to assist on the Service Head Commissioning and Health. Progressing recruitment to these latter two posts has, however, been deferred until the outcome of the selection process for Corporate Director Children's Services and Director of Adults' Services is known.

3.1.4 Green Park have been selected to assist with recruitment to the posts of Service Head Communications and Marketing, Service Head Legal and the newly vacated post of Service Head Corporate Strategy and Equality.

3.2 **Corporate Director Children's Services and Director of Adults' Services**

3.2.1 As outlined above, Penna are assisting the Council with recruitment to these two Director posts.

3.2.2 The posts were advertised on the 19th November with a closing date of 11th December and the usual searches carried out. Preliminary assessment of longlisted candidates has been carried out by Penna and technical assessors.

3.2.3 A list of candidates for the post of Director of Adults' Services recommended to be taken forward for final interview was presented to the Appointments Sub-Committee on 19th January. Final interviews for the post are scheduled for the 4th February.

3.2.4. A list of candidates for the post of Corporate Director Children's Services is to be presented to the Appointments Sub-Committee on 22nd January. Final interviews for the post are scheduled for 1st February.

3.2.5 As reported to HR Committee at its meeting on 28th October 2015 interim arrangements are in place to cover both of these Director posts following a recruitment process which involved the Executive Mayor and relevant Cabinet Member.

3.2.6 The interim Corporate Director Children's Services has already made inroads into the work needed to be carried out in Children's Services in respect of preparation for the imminent Ofsted inspection of the service. She has also promoted an increased confidence in the service and has established good working relationships with headteachers and other stakeholders.

3.2.7 Although it is anticipated that the recruitment process will result in an appointment being offered in early February, it is possible that the successful candidate will need to give their current employer at least 3 months' notice. The successful candidate may not therefore be in a position to take up the appointment until May and the Committee are therefore asked to agree that the current interim arrangement is extended until the new Director commences in post.

3.2.8 As previously reported, the interim cover for the post of Director of Adults' Services is being provided by the Service Head Adults' Social Care who has provided stability and leadership in the newly separated directorate. As with the Corporate Director Children's Services, it is possible that the successful candidate may not take up the appointment until May. The Committee are therefore asked to agree that the interim arrangement continues until the new Director commences in post.

3.3 Service Head Public Realm

- 3.3.1 Penna are assisting the Council with recruitment to this post. The post was advertised on 26th November with a closing date of 18th December. Preliminary assessment of longlisted candidates has been carried out by a technical assessor and Penna. A list of candidates recommended to be taken forward for final interview is to be presented to the Appointments Sub-Committee on 29th January. Final interviews for the post are scheduled for the 5th February.
- 3.3.2 As previously reported to the Committee interim arrangements are in place to cover the duties of this post.

3.4 Service Head Finance and Procurement

- 3.4.1 Penna are also assisting with this post. A joint advertisement for this post and the post of Service Head Public Realm was published on 26th November (closing date 18th December). Preliminary assessment of longlisted candidates has been carried out by a technical assessor and Penna. A list of candidates recommended to be taken forward for final interview is to be presented to the Appointments Sub-Committee on 26th January. Final interviews for the post are scheduled for the 29th January. An amended process is being discussed in respect of this appointment and the Committee will be updated on any variation to these arrangements at the meeting. Final interviews for the post are scheduled for the 29th January.
- 3.4.2 As previously reported to the Committee interim arrangements are in place for this post.

3.5 Service Head Learning & Achievement

- 3.5.1 As previously reported, Penna were awarded the contract to support the council in recruiting to the post of Service Head Learning and Achievement. The post was advertised in Municipal Journal, Times Education Supplement and the Guardian and the recruitment consultant carried out the usual searches. However, none of the candidates who applied at that stage were suitable for recommending to the Appointments Sub Committee for shortlisting.
- 3.5.2 Penna have been asked to undertake a new search but this has been deferred until the outcome of the recruitment process for a Director of Children's Services is known. In the meantime, it is proposed that the current arrangements for temporary cover should continue but be kept under review.

3.6 Service Head, Commissioning & Health

- 3.6.1 The post is being covered on an interim basis. As stated above, Penna have been engaged to assist the Council with the recruitment process. However,

the process has been deferred until the outcome of the selection process for the two Directors is known. As with the Service Head Learning & Achievement it is therefore proposed that the current arrangements for interim cover should continue but be kept under review.

3.7 Service Head Communications and Marketing

3.7.1 As reported to HR Committee on 28th October 2015 interim arrangements are in place to cover the duties attached to the post of Service Head Communications and Marketing.

3.7.2 Green Park have been engaged to assist with the recruitment of a permanent Service Head. The timing for this recruitment has been slightly delayed to allow for the completion and outcome of the Communications Review. The outcome of this review does of course have an impact on the Communications and Marketing service area and any new incumbent would be expected to take this forward. Whilst permanent recruitment is progressed, it is proposed to seek the appointment of an Interim Service Head Communications and Marketing to maintain a strong focus on all aspects of the post.

3.8 Service Head Legal

3.8.1 Interim arrangements are in place to cover the duties of this post. The process to secure a permanent Service Head is to be progressed with the assistance of Green Park. Before commencing recruitment the job description and person specification needed to be reviewed along with the operation of Democratic Services. A revised indicative timetable for progressing recruitment is being prepared and will be finalised once the review is complete.

3.9 Service Head Corporate Strategy and Equality

3.9.1 The post became vacant on 12th January. Interim arrangements have been secured and a permanent replacement is to be recruited with the assistance of Green Park. The job description and person specification will be reviewed prior to recruitment commencing and an indicative timetable for progressing the recruitment will also be prepared.

4 Chief Executive: Performance Management Arrangements

4.1 It was reported to the HR Committee in May 2015 that following the appointment of the Chief Executive a formalised set of arrangements will be developed for the performance management and assessment of the Chief Executive. These arrangements will provide transparency, ensuring that consideration of the requirements of the Mayor and Council are translated into clear and accurate performance objective targets for which there is clear understanding.

- 4.2 Following consultation with the Mayor, Group Leaders, Chair of the HR Committee and the Chief Executive attached at Appendix A for information purposes is the performance management process for the Chief Executive. The Chief Executive is currently developing a set of proposed milestones and targets to supplement the Mayors Aims for a Chief Executive (published as part of the CE recruitment pack) along with other objectives suggested by Group Leaders.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

- 5.1 This report provides HR Committee with an update on the status of current senior management vacancies within the Council and asks the Committee to note progress made to date in recruiting to these posts as well as agree to the continuation of interim arrangements for covering the posts of Corporate Director Children's Services and Director of Adults' Services until the recruitment processes are complete and the commencement dates of the newly appointed Directors are known.
- 5.2 The two roles of Director of Adult Services and Corporate Director Children's Services were established following the de-merger of ESCW and the formation of separate directorates for Adult Services and Children's services. Additional funding of £259k was agreed at cabinet on the 28th July 2015 to meet the cost of additional posts resulting from the de-merger of ESCW. All other posts covered within this report and the associated recruitment costs will be funded through existing budgets.

6. LEGAL COMMENTS

- 6.1 The Council is required to appoint such officers as it thinks necessary for the proper discharge of its functions (Local Government Act 1972, section 112). All such appointments should be on merit, as required by section 7 of the Local Government and Housing Act 1989.
- 6.2 The report details the progress of recruitment for Director of Adults' Services, Corporate Director Children's Services, Service Head, Finance and Procurement, Service Head Public Realm, Service Head Legal, Service Head Communications and Marketing, Service Head Learning & Achievement and Service Head, Commissioning and Health together with the proposal for an interim arrangement in respect of the post of Service Head, Corporate Strategy and Equality
- 6.3 The appointments are governed by the Officer Employment Procedure Rules in Part 4.9 of the Council's Constitution.
- 6.4 The functions of the HR Committee include determining the criteria for the appointment of statutory and non-statutory chief officers and deputy chief

officers for the Appointments Sub-Committees established from time to time to consider such appointments. In the circumstances it is reasonable for the Committee to be informed of the progress of the recruitment process undertaken so far and to approve the continuance of the interim arrangements already in place if it is so minded. In respect of the interim arrangements in Children's and Adult Services, the committee should note that there is a need for the Council to fulfil its statutory functions in respect of education and social care and therefore have in post (albeit on an interim basis at present) officers designated to carry out the statutory chief officer roles until permanent appointments can be made.

6.5 The Officer Employment Procedure Rules provide that the procedure for appointing chief officers and deputy chief officers shall only apply to the appointment of the Director within the Law, Probity and Governance Directorate. Although the Constitution delegates recruitment to officers for the Service Head posts within this directorate, it has been decided that on this occasion members should appoint to all senior management positions for continuity.

6.6 When carrying out its functions as an employer and as a public authority, the Council must not discriminate or otherwise engage in unlawful behaviour contrary to the Equality Act 2010. The Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). Ensuring that any selection process is fair and subject to equal opportunity is part of complying with the Council's equality obligations. An appropriate level of advertising for any vacancy should help to achieve this. Officers should ensure that the Council complies with its own policies and procedures in relation to any recruitment process.

7. ONE TOWER HAMLETS CONSIDERATIONS

7.1 The Council's commitment to equalities includes an undertaking to achieve a Workforce to Reflect the Community at all levels in the organisation and such considerations will be part of the recruitment process and inform the procurement process. All posts are recruited to on merit. Internal arrangements provide for succession planning and career development.

8. BEST VALUE (BV) IMPLICATIONS

8.1 Recruitment to Senior Management vacancies provides stability to the organisation and assists in continuity which contributes to efficiency and effectiveness. In addition, permanent staffing arrangements can be more cost effective than some interim arrangements, especially where these have to be secured through a third party arrangement such as interim supply agencies.

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

9.1 There are no implications.

10. RISK MANAGEMENT IMPLICATIONS

10.1 The arrangements proposed in this report will reduce the risks associated with temporary staffing.

11. CRIME AND DISORDER REDUCTION IMPLICATIONS

11.1 There are no implications.

Linked Reports, Appendices and Background Documents

Linked Report

- Report to HR Committee 28th May 2015 – Appointment of Chief Executive.

Appendices

A. Chief Executive : Performance Management Process

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

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

- NONE

Officer contact details for documents:

- N/A

Chief Executive : Performance Management Process

Introduction

The aims and objectives for the post of Chief Executive are set out in the job description and via the Mayor and Group Leaders as part of the recruitment process. These aims and objectives are the basis for the ongoing performance management of the Chief Executive. These aims may be changed over time.

Performance Management falls into the main categories: Probation; Regular Performance Management (one to ones); and Annual Performance Appraisal.

Probation¹

The aim of the probation process is to determine whether the Chief Executive's performance over the first 26 weeks of employment (this can be extended by a further 10 weeks) is to a satisfactory standard with regards to the general performance of the duties of the office of Chief Executive.

The probationary period will be managed in line with the Council's Probation Procedure and section 4.9 of the constitution, the Officer Employment Procedure Rules.

Meetings under the Probation Procedure will be held after 8 weeks, 16 weeks and 24 weeks service, by the Mayor, in consultation with Group Leaders.

Regular Performance Management²

The Mayor will meet on a regular basis with the Chief Executive and at these regular management meetings the aims and objectives set out as part of the recruitment process will be discussed, along with any other immediate assessment areas.

Annual Performance Appraisal³

Introduction

The JNC Chief Executive Conditions of Service include Joint Guidance on Appraisal of the Chief Executive and this process is based on that guidance.

Scope

This process applies to the Chief Executive only.

¹ Council's Probation Procedure

² Council's Performance Development Review Scheme

³ Council's Performance Development Review Scheme/JNC Conditions

The Appraisal Cycle⁴

Appraisals should take place on a predetermined date (normally in April), at least annually backed up by monitoring meetings on a regular basis at which targets can be reviewed for continuing relevance.

A formal system of appraisal should not prevent the continuous review of progress and performance.

Responsibility for Appraisal⁵

The responsibility for appraising the Chief Executive sits with senior elected members. It is a contractual obligation on the part of both the Chief Executive and the Council to engage in a regular process of appraisal.

The appraisal will be conducted by the Mayor and Group Leaders, with the Chair of the HR Committee also attending. The Mayor will be the Chair of the panel, who will form a collective view.

Those conducting the appraisal should bear in mind at all times that the Chief Executive is employed by the Council as a whole, not the controlling group/Mayor, and is therefore required to serve all of the Council.

Members carrying out the appraisal should draw on information from their group and feed back to them, so that they draw on and inform the wider views of Members.

In advance of the performance appraisal, the parties that will form the appraisal panel will have a chance to submit any proposed amended/additional aims and objectives for the Chief Executive to be considered as part of the performance appraisal. Any written responses or presentations from the Chief Executive will be made available to all members of the panel in advance of their deliberations.

Aims of the Appraisal⁶

The Chief Executive's position in the Council is unique. In one sense their objective is to deliver the corporate priorities set by members. However, it is important that personal objectives are also set for the Chief Executive.

The aims of the appraisal are: -

⁴ Best Practice/JNC Conditions

⁵ JNC Conditions

⁶ JNC Conditions

1. To identify and clarify the key objectives, priorities and targets of the Council and appropriate timescales for their achievement over the next 12 months
2. Agree what the Chief Executive should personally achieve over the next 12 months and identify required standards of performance, in order to deliver the Council's key objectives, priorities and targets. Wherever possible standards of performance should be expressed in ways which can be monitored objectively
3. Discuss positive achievements over the past 12 months and identify reasons for good performance
4. Discuss instances over the past 12 months where targets have not been met, identifying the factors preventing the achievement of agreed goals
5. Discuss developmental requirements. The Chief Executive will have strengths and weaknesses and the parties should identify the professional development necessary to equip the Chief Executive with the requisite skills to meet the Council's objectives. The parties should be proactive and anticipate future developmental needs in the context of the Council's changing priorities. This discussion could lead to the design of a formal programme of continuous professional development (CPD). Equally this discussion may lead to agreement on changes to the working relationship between leading members and the Chief Executive. It should not be assumed that it is only the Chief Executive who may need to adjust his/her approach to the working relationship

Appraisals should be set in the context of the Council's objectives, priorities and targets, generally expressed in the Community and Corporate plans. Appraisal targets when taken as a whole should be related to agreed targets for the Council as a whole.

Key Elements of the Appraisal Process⁷

1. Continuous two-way monitoring of performance against objectives
2. Preparation for an appraisal interview
3. An appraisal interview where recent and current performance, future objectives and development needs are discussed
4. Agreement should be reached on action required from either party to ensure required performance is achievable
5. The process of informal discussion regarding performance should continue

Conducting the Appraisal⁸

1. Both parties should be well informed and prepared for the interview
2. The process should be two-way
3. The interview should be free from interruptions and notes should be taken when necessary

⁷ JNC Conditions

⁸ JNC Conditions

4. The parties should concentrate as far as possible on established facts rather than unsubstantiated opinions
5. Targets which are realistic and capable of being monitored should be agreed
6. Any agreed development plans should be implemented within the agreed timescale
7. The Chief Executive should be given a reasonable opportunity to correct any shortfalls in performance
8. A date for the next review should be agreed

Preparation for the Appraisal⁹

In advance of the review the Chief Executive should review their job description and any previous objectives; and against the framework set out below, prepare a written response or presentation (to last no longer than 45 minutes) which sets out their performance against each criteria.

Members carrying out the appraisal should, in preparation for the appraisal, draw on information from their group, so that they draw on and are informed by the wider views of Members.

Performance Framework¹⁰

The appraisal should consider the performance of the Chief Executive in relation to the following.

Community Plan themes

Strategic Plan

- One Tower Hamlets
- Mayoral Priorities

When considering performance against the above criteria, the following should be considered: -

- Have relevant objectives been met? Were they realistic?
- What went well?
- What didn't go so well/could be improved upon?
- Any other feedback points

Consideration should also be given to the Chief Executive's leadership skills in relation to: -

- Role of Head of Paid Service
- Organisational capacity for excellent performance
- Partnership working across local partnerships
- Civic engagement
- Personal, i.e. leading by example

⁹ Research

¹⁰ Research/Best Practice

Future objectives should be agreed and a personal development plan (PDP) should be agreed.

Appraisal Outcome¹¹

The awarding of increments within the Chief Executive pay scale is dependent on a successful performance appraisal.

Following the appraisal, the Mayor and Group Leaders, with the Chair of the HR Committee will assess the Chief Executive's performance against the defined performance measures.

Where targets have not been achieved, consideration needs to be given to the reason for what may appear to be lack of success. This includes consideration of the circumstances of the past year and forming a judgement as to overall performance. Measuring achievement of core leadership skills must be an integral part of this decision.

Where overall performance has fallen short of that which might normally be expected at this level, specific shortcomings and evidence of missed agreed targets should be identified. This will result in no incremental progression.

Where overall performance has been consistent with that which might normally be expected at this level, generally all targets have been met and core leadership skills demonstrated then this will result in progression of one increment.

Where exceptional performance can be demonstrated both in terms of corporate contribution and achievement of specific responsibilities of the post two increments can be awarded. The award of 2 increments will be exceptional.

Progression Arrangements¹²

Increments apply from 1st April, although the PDR process may not be completed until June. Retrospective payment may therefore apply.

The Service Head, Human Resources and Workforce Development, will confirm outcomes in writing and arrange changes to pay accordingly.

Acceptable Range¹³

¹¹ Research/Best Practice/Current Practice

¹² Current Practice

¹³ Research/Best Practice

When deciding whether objectives/targets have been met, consideration should be given to whether they remained realistic through the year and to what the acceptable range is for successful performance. For example, if a target is to build 5000 affordable homes in the borough, it might be considered that an acceptable range for successful performance is within 10% of the target.

External Assistance¹⁴

External assistance in facilitating the appraisal process will be sought.

External assistance may take the form of an external organisation directly participating in the process for which a fee may be requested to cover staff time or the recommendation of, for example, a suitably experienced recently retired senior officer or other independent individual.

The external assistance must have the agreement of both sides and selection of who should provide the external assistance will be made by the Mayor with the Chief Executive.

Disputes¹⁵

Any disputes, in terms of the objectives proposed or the assessment of performance can be referred to an appropriate external organisation (i.e. the Local Government Association).

Other Matters¹⁶

The content of appraisal interviews should be treated as confidential to the participants. However, it should be reported to the Council's HR Committee that an appraisal interview has taken place [and that increments have been awarded].

The agreed aims and objectives of the Chief Executive should be circulated as appropriate to Council and Elected Members.

The Chief Executive's aims and objectives should cascade down the organisation to inform the aims and objectives of Corporate Directors, Service Heads and so on.

This may be useful in acting as a reminder that the Chief Executive and Members need to ensure that chief officers are in turn appraised.

It should, however, be noted that the process for appraising the Chief Executive is different to the process to be used for other staff. There is a fundamental difference between elected members appraising the Chief

¹⁴ JNC Conditions

¹⁵ Best Practice

¹⁶ JNC Conditions


Executive and managers appraising subordinates. The principles, nevertheless, are the same.

Best Practice

The footnotes referencing best practice are based on benchmarking of Chief Executive performance appraisal processes of a number of other local authorities, both inside (e.g. Southwark, Lewisham) and outside (e.g. Brighton, Bedfordshire) London.

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Agenda Item 4.6

Non-Executive Report of the: HR Committee 21 st January 2016	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director Resources Simon Kilbey – Service Head HR&WD	Classification: Unrestricted
HR Committee Work Programme 2016/17	

Originating Officer(s)	Simon Kilbey – Service Head HR&WD
Wards affected	All wards

Summary

This report sets out a proposed work programme for the HR Committee for 2016/17. The introduction of a work plan and standard reports will bring the committee into line with other committees. This will assist agenda planning, to ensure reports submitted to the committee are planned in advance and in line with its terms of reference.

The majority of employment matters in the council are delegated to officers but the HR Committee also has a crucial role to play. There are times when the committee is a stakeholder receiving information on employment issues and there are times when the committee is the decision maker, especially in relation to major terms and conditions and some pay matters.

Recommendations:

HR Committee is recommended to:-

Consider and agree the proposed areas for the HR Committee's work programme for 2016/17.

Agree that reports prepared for consideration by the HR Committee will be linked to the work programme.

Agree reports on senior management recruitment will be brought as and when necessary.

1. REASONS FOR THE DECISIONS

- 1.1 At present, there is no set programme of work for the HR Committee. There are some reports which go to the HR Committee on a regular basis, e.g. the annual Pay Policy report. Other reports are prepared and submitted upon request from the HR Committee.
- 1.2 Having an annual work programme, in line with other committees, is considered to be a more efficient use of the HR Committee's time and enables effective forward planning to focus on a number of key areas that affect the workforce where the Committee can add value.

2. ALTERNATIVE OPTIONS

- 2.1 The Committee could decide not to have a work programme, but that is not considered to be an efficient and effective use of the Committee's role and remit. Any suggestions for amendments to the work plan for 2016/17 by the HR Committee will be incorporated as appropriate.

3. DETAILS OF REPORT

- 3.1 The functions of the HR Committee are set out in section 3.3.8 of the council's Constitution and are as follows: -
 - 1) To determine major policy on the terms and conditions on which staff hold office within allocated resources
 - 2) To establish a sub committee to consider any proposal to discipline and/or dismiss the Head of Paid Service or a statutory or non-statutory chief officer or deputy chief officer in accordance with the Officer Employment Procedure Rules set out in Part 4 of this Constitution
 - 3) To agree any negotiated settlement, in relation to a senior executive in circumstances which do not amount to a dismissal, that may be proposed in accordance with the council's Pay Policy Statement
 - 4) To establish an Appointments Sub Committee to consider the appointment of the Head of Paid Service and to make recommendations to the council on that appointment
 - 5) To determine the criteria for the appointment of statutory and non-statutory chief officers and deputy chief officers for the Appointments Sub Committees established from time to time to consider such appointments
- 3.2 The HR Committee is usually held on a quarterly basis, though sub committee meetings can also be held, as can extraordinary meetings, when needed.
- 3.3 At present, the work of the HR Committee is set from meeting to meeting with agreement from the Chair, with some standing reports.

3.4 The proposal to have a work plan for the HR Committee will allow the work of the committee to be focused on the main issues relating to the council's workforce.

WORK PROGRAMME FOR 2016-17

3.5 At present for 2016, HR Committees are scheduled for 21st January and 13th April.

3.6 A draft work plan for the HR Committee will be produced once a decision has been taken as to the areas for inclusion.

3.7 The committee will receive matters for decisions on:-

- Major policy on terms and conditions of employment
- Any proposals to discipline/dismiss a statutory or non statutory deputy chief or chief officer
- Any proposed negotiated settlements for a senior executive
- Proposals to recruit to senior management positions
- Pay Policy

3.8 The committee will be provided reports for either information or for their view as a stakeholder. Examples include:-

Subject	What will be provided	Why provided
Workforce Strategy	Reports on proposed corporate performance indicators and monitoring	HR Committee a stakeholder –views will be sought
Employer Circulars	Depending on timing, reports will be provided setting out the details of any government consultation	HR Committee a stakeholder –views will be sought as to the council's response
Designated Independent Person process for disciplinary/dismissal of statutory chief officers	A report setting out the proposed detail of the process – once national guidance and an amended JNC model procedure have been agreed	HR Committee a stakeholder and decision maker – could have contractual implications
A review of the council's terms and conditions	A report especially relating to terms around redundancy, following legislation that will be introduced in 2016 on the £95k redundancy cap	HR Committee a stakeholder and decision maker – could have contractual implications

3.9 Reports relating to specific one off matters will continue to be brought as needed, where they fall under the terms of reference of the committee and by agreement of the Chair of the HR Committee and the Service Head, Human Resources and Workforce Development.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 Resources required to support the programme will be funded through existing budgets. There are no additional financial implications as a result of the recommendations within this report.

5. LEGAL COMMENTS

5.1 This is a report for the HR Committee setting out the proposed work programme for the committee and as such there are no legal issues which arise from this report for which comments are required.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1 The use of a work programme will support the HR Committee to plan and prioritise its work effectively and this will in turn support the council to be an efficient and effective organisation.

7. BEST VALUE (BV) IMPLICATIONS

7.1 The implementation of a work programme would be a more efficient use of the HR Committee's time and enables effective forward planning to focus on a number of key areas that affect the workforce where the Committee can add value

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no implications.

9. RISK MANAGEMENT IMPLICATIONS

9.1 There are no direct risk management implications arising from this report.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no implications.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- NONE.

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.

- NONE.

Officer contact details for documents:

- Simon Kilbey, Service Head (HR/WD) 020 7364 4922

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