

Committee/Meeting: HR Committee	Date: 24 October 2012	Classification: Unrestricted	Report No: 4.1
Report of: Corporate Director (Resources) Originating officer(s) Simon Kilbey, Service Head (Human Resources & Workforce Development)		Title: Acting and Honoraria Payments and Related Pay Matters Wards Affected: All	

Lead Member	Cabinet Member for Resources
Community Plan Theme	All
Strategic Priority	Work efficiently and effectively as one Council

1. **SUMMARY**

- 1.1 At its meeting on 18 July 2012, the HR Committee requested that a report be submitted to the next meeting on the Council's Acting and Honoraria Policy.
- 1.2 This report gives an outline of the policy and information on its application, including information on the number and cost of payments for quarter 1 of 2012/13.
- 1.3 The Council's published pay policy allows for additional payments and allowances to be made to staff as appropriate to the nature and requirement of specific posts.
- 1.4 The terms of reference of the People Board include the review and monitoring of acting and honoraria payments and it is currently reviewing the existing policy.
- 1.5 The HR Committee also requested information on the London Living Wage in relation to contractors. The issue of staff leaving the Council due to redundancy or early retirement returning to the Council's employment was also raised by the Committee.

2. **DECISIONS REQUIRED**

HR Committee is recommended to:-

- 2.1 Note the information provided.

3. REASONS FOR THE DECISIONS

- 3.1 The report is for information and to provide Members with details of the Council's Acting and Honoraria policy and related pay matters.

4. ALTERNATIVE OPTIONS

- 4.1 The report is for information.

5. BACKGROUND

- 5.1 Acting and honoraria payment are provided for in the Council's Pay Policy, which allows for additional payments and allowances to be made to staff as appropriate to the nature and requirement of specific posts. It states that acting up and honoraria payments are made to individual staff as appropriate using clear criteria, and where a clear business need is identified.

- 5.2 The National Agreement on Pay and Conditions of Service, produced by the National Joint Council for Local Government Services, states the following:

There should be local arrangements for recognising temporary additional duties where employees act up in the absence of more senior employees.

- 5.3 The Council's current Acting and Honoraria policy was introduced in 2005 in the form of a managers guidance document and is attached as Appendix 1.
- 5.4 Information on the use of acting and honoraria payments is reported on a quarterly basis to the Council's Corporate Management Team, who monitor the application of the policy.

6. BODY OF REPORT

- 6.1 The Acting and Honoraria Policy sets out clear criteria as to when either payment can be made. In each case a business case setting out the reasons for the payment must be completed by the relevant manager and agreed by the relevant Service Head to ensure consistency of application.
- 6.2 If an acting arrangement is being requested, it must now also be agreed by the People Board before it can be advertised. This gives a greater level of control and scrutiny in relation to acting arrangements.
- 6.3 The criteria for paying an acting allowance is as follows: -
- There is a vacant post in the structure
 - The period for which the allowance is to be paid is at least 4 weeks
 - Only one member of staff will be acting into the post, unless two job sharers will share the responsibility
 - The acting is not to cover annual leave
 - The employee has been covering the additional duties for at least 4 weeks without payment

6.4 There is an expectation that acting allowances are advertised, unless there are exceptional circumstances, and that a limited selection process is completed.

6.5 The criteria for paying an honoraria is as follows: -

- An employee is undertaking additional duties which are particularly onerous
- There is more than one employee covering duties for which an acting allowance would normally be payable
- An employee is temporarily undertaking specific duties beyond the normal scope of their post over an extended period

6.6 Table 1 shows the number of acting and honoraria awards in place for quarter one of 2012/13 broken down by Directorate, with Table 2 giving the monthly costs, on a monthly basis, for the first six months of 2012.

Table 1 - Q1 2012/13 Acting and Honoraria by Directorate

Directorate	Total
Adults Health and Well Being Services	11
Chief Executive	10
Children, Schools & Families Directorate	48
Communities Localities and Culture	14
Development & Renewal	18
Resources	10
Grand Total	111

Table 2 Monthly spend on acting up & honoraria payments

Directorate	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Adults	£7,728	£1,552	£3,862	£4635	£1422	£1422
Chief Exec	£1,937	£1,937	£2,629	£3828	£944	£3444
CSF	£8,281	£9,615	£11,057	£8449	£3564	£5789
CLC	£471	£471	£1,255	£6467	£2263	£2455
D&R	£4,631	£3,990	£3,704	£6429	£8066	£5342
Resources	£6,672	£2,624	£9,689	£6336	£1886	£1876
Total	£29,719	£20,188	£32,194	£36146	£18148	£20,328

6.7 Whilst payment vary considerably month by month, responding as it does to local service demands, the general trend is downwards and has been for some time.

- 6.8 In the 2009 financial year, a total of 231 acting and honoraria were awarded, totalling £350,075. In 2010 this had decreased to 193 acting and honoraria being awarded, totalling £270,024. In 2011 this had decreased again to 187 acting and honoraria being awarded, totalling £240,901. It is expected that the figures may increase marginally this year given the effects of the Lean programme which has significantly reduced the number of posts in the organisation.
- 6.9 One of the key efficiency measures identified in 2010 was to reduce the payment of acting and honoraria and this has been achieved.
- 6.10 The current practice in relation to Acting and Honoraria payments is being reviewed by People Board, with a view to updating the process.

Related Pay Matters

- 6.11 The HR Committee asked for clarification of the position regarding the London Living Wage (LLW) and Contractors. Several London authorities have made a commitment to consider the LLW when letting contracts and Tower Hamlets is one of them.
- 6.12 The LLW is considered and encouraged as part of every strategic contract that Tower Hamlets awards and there has been a positive response so far in relation to including LLW in contracts. Work will continue to be undertaken to ensure the LLW is included in new contracts wherever possible.
- 6.13 Below is a breakdown of the number of contracts that include a commitment to pay the London Living Wage and their cumulative contract values.

Year	Count of Contracts	Total Contract Value
2011	28	£ 76,806,142.00
2012	37	£ 123,282,693.25
Total	65	£ 200,088,835.25

- 6.14 The HR Committee also requested information on the policy of reemployment of staff who leave the Council due to redundancy/early retirement. Although there is currently no written policy, the practice is discouraged unless there are exceptional circumstances where this would benefit the Council and alternatives are not available or appropriate.
- 6.15 The introduction of a requirement into the Council's revised pay policy (to be published at the end of March 2013), that ensures that any member of staff who has left the Council by reason of redundancy (compulsory or voluntary) or early retirement and has received a severance payment must have a gap of at least 1 year after the date of termination before they can return to Tower Hamlets Council is being considered. Benchmarking with other boroughs is currently around this practice is currently being undertaken.
- 6.16 To allow for exceptional circumstances, when it might be necessary to reemploy someone sooner than after a year's gap, it is proposed that there

will be a mechanism to allow a Corporate Director in junction with the Service Head HR and WD to waive the 1 year requirement, provided this can be justified. This waiver would need to be reported to the Council's People Board.

7. COMMENTS OF THE CHIEF FINANCIAL OFFICER

7.1 There are no financial implications as a direct result of this report.

8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

8.1 There are no legal issues to consider as part of this report.

9. ONE TOWER HAMLETS CONSIDERATIONS

9.1 There are no equalities considerations.

10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

10.1 There are no implications.

11. RISK MANAGEMENT IMPLICATIONS

11.1 There are no direct risks as a result of this report.

12. CRIME AND DISORDER REDUCTION IMPLICATIONS

12.1 There are no implications.

13. EFFICIENCY STATEMENT

13.1 No changes to service delivery or the use of resources are proposed.

14. APPENDICES

Appendix 1 – Acting and Honoraria Policy

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

Brief description of “background papers”	Name and telephone number of holder and address where open to inspection.
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