

**MINUTES OF THE MEETING OF THE REMUNERATION SUB - COMMITTEE  
HELD ON TUESDAY, 25 OCTOBER 2011**

**COUNCILLORS**

**PRESENT** Toby Simon (Chairman), Michael Lavender and Dino Lemonides

**ABSENT** Andrew Stafford (Cabinet Member for Finance and Property)

**OFFICERS:** Rob Leak (Chief Executive), James Rolfe (Director of Finance, Resources & Customer Services), Tim Strong (Assistant Director Human Resources) and Tony Gilling (Head of Professional HR Client Services)

**365**

**WELCOME & APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Stafford.

**366**

**DECLARATION OF INTERESTS**

There were no declarations of interest by members but it was noted that some of the officers in attendance at the meeting were in the senior staff cohort which the sub-committee would be focusing on.

**367**

**TERMINATION PAYMENTS**

RECEIVED the report of the Assistant Director Human Resources

NOTED

1. There were only 3 circumstances under which the Council would make additional payments to staff at any level when they left the Council's employment:
  - a. Medical retirement – there were 3 levels and this was purely a medical decision over which the Council had no influence;
  - b. Early Retirement (with employer's consent) – very few requests were received;
  - c. Redundancy – the current policy was adopted in 2010 and gives all redundant staff a lump sum redundancy payment calculated in accordance with the statutory tables, but based payment on an actual week's pay for the employee rather than the statutory thresholds. The policy was in line with most other London boroughs.
2. Officers were developing a refinement to the current redundancy policy for consideration by Cabinet in the future.

3. The notice period for senior staff was 3 months and there was an expectation that notice periods would be worked. Payment in lieu of notice was only made in exceptional circumstances.

**368**

### **SUMMARY OF CHANGES TO THE PENSION SCHEME**

RECEIVED the report of the Assistant Director Human Resources

NOTED

1. Further changes to the pension scheme were being considered following Lord Hutton's recommendations. The Government had made proposals and the Local Government Group had also made proposals.
2. Both proposals included an increase in contributions from employees, but the Local Government Group proposal included options of increasing levels of contribution and maintaining the current accrual rate or maintaining current contribution rates and accepting a lower accrual rate.
3. A response on proposed changes to the pension scheme was being developed.
4. Pension scheme members would be written to advising them of the proposed changes to the scheme and notices would be displayed for other staff.
5. Whilst all members of the pension scheme would be affected by the proposed changes, senior staff (with long service and higher pensionable salaries and those staff with deferred pension provisions in addition to their local government pension provisions) are also likely to be adversely effected by changes in general tax allowances relating to pension provision which come into effect in April 2012. The effect of these tax changes could result in some senior staff opting to leave the pension scheme in order to avoid the tax liability, while new appointees to senior positions might seek financial support from the Council in meeting some of the tax liability that could arise as a direct result of their promotion. Whether or not this situation will prevail into the future will largely depend on whether the local government pension scheme remains a final salary scheme or becomes a career average salary scheme.
6. Should senior staff leave the pension scheme, the fund would lose both employee and employer contributions and therefore would become a more mature scheme, but this would be managed through its investment strategy.
7. The Sub-Committee requested information on the number of senior staff likely to be significantly impacted by the proposed changes.

**Action: Tim Strong**

**Post Meeting Note: Information sent by email on 1 November 2011.**

**369**

**DIRECTORS AND ASSISTANT DIRECTOR'S PAY**

RECEIVED the report of the Assistant Director Human Resources

NOTED

1. Following streamlining of senior staff pay ranges, there was now 1 pay scale each for Directors and Assistant Directors. These had been well received by senior staff as the pay scales were viewed as fair.
2. For Assistant Directors, the non-consolidated pay range (points 16 to 26) was 'pay at risk' as payment was dependent on maintenance or improvement of performance from the previous year.
3. Point 16, i.e., the top point in the consolidated pay range in both the Directors and Assistant Directors pay scales, is at or just below the median pay levels for staff in similar jobs in other London boroughs, whilst point 26, i.e., the top point of the non consolidated pay range, is broadly equivalent to the upper quartile for London boroughs.

**370**

**DIRECTORS AND ASSISTANT DIRECTORS APPRAISAL SCORES 2010/11**

NOTED

1. There was a robust process to ensure integrity, fairness and moderation of objective setting and performance management.
2. Assistant Director 2010/11 pay costs had reduced over last year (£9,264) as 2 Assistant Director's had not maintained their performance from last year. No Directors were currently paid salaries that were within the non-consolidated part of the pay scale.
3. The Sub-Committee requested information on Directors appraisal scores.

**Action: Tim Strong**

**Post Meeting Note: Information sent by email on 1 November 2011.**

**371**

**MINUTES OF MEETING HELD ON 7 JULY 2011**

AGREED the minutes of the meeting held on 7 July 2011 be confirmed as a correct record.

**372**

**DATE OF NEXT MEETING**

**REMUNERATION SUB - COMMITTEE - 25.10.2011**

NOTED the date of the next meeting: 29 March 2012 at 6pm