



Public Document Pack

**Havering**  
LONDON BOROUGH

# **EXTRAORDINARY COUNCIL MEETING**

**7.30 pm Wednesday, 22 October 2014  
At Council Chamber - Town Hall**

**Members of the Council of the London Borough of Havering are hereby summoned to attend an Extraordinary meeting of the Council at the time and place indicated for the transaction of the following business**

**Helen Edwards  
Monitoring Officer**

**For information about the meeting please contact:  
Anthony Clements tel: 01708 433065  
anthony.clements@oneSource.co.uk**



**Please note that this meeting will be webcast.**

**Members of the public who do not wish to appear  
in the webcast will be able to sit in the balcony,  
which is not in camera range.**

## **Protocol for members of the public wishing to report on meetings of the London Borough of Havering**

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

## AGENDA

**1 PRAYERS**

**2 APOLOGIES FOR ABSENCE**

To receive apologies for absence.

**3 DISCLOSURE OF PECUNIARY INTERESTS**

Members are invited to disclose any pecuniary interest in any of the items on the agenda at this point of the meeting.

*Members may still disclose any pecuniary interest in an item at any time prior to the consideration of the matter.*

**4 ANNOUNCEMENTS BY THE MAYOR, BY THE LEADER OF THE COUNCIL OR BY THE CHIEF EXECUTIVE**

To receive announcements.

**5 MOVING TRAFFIC CONTRAVENTIONS** (Pages 1 - 2)

Report of the Governance Committee attached (subject to approval by Governance Committee).

**Note the deadline for receipt of amendments is midnight, Monday 20 October.**

**6 REVIEW OF OVERVIEW AND SCRUTINY** (Pages 3 - 6)

Report of the Governance Committee attached (subject to approval by Governance Committee).

**Note: The deadline for receipt of amendments is midnight, Monday 20 October.**

**7 POLITICAL BALANCE AND REAPPOINTMENT OF COMMITTEES** (Pages 7 - 18)

Report of the Monitoring Officer (attached).

**Note: the deadline for receipt of amendments is midnight, Monday 20 October.**

**8 SPECIAL RESPONSIBILITY ALLOWANCES** (Pages 19 - 28)

Report of the Governance Committee attached (subject to approval By Governance Committee).

**Note: The deadline for receipt of amendments is midnight, Monday 20 October.**

**9 REAPPOINTMENT OF THE HEAD OF PAID SERVICE** (Pages 29 - 36)

Report attached.

**Note: The deadline for amendments is midnight, Monday 20 October.**

**10 REVISIONS TO SENIOR MANAGEMENT STRUCTURE** (Pages 37 - 48)

Report of the Chief Executive (attached).

**Note: The deadline for receipt of amendments is midnight, Monday 20 October.**



**COUNCIL, 22 OCTOBER 2014**

## **REPORT OF THE GOVERNANCE COMMITTEE**

### **ADOPTION OF THE LONDON LOCAL AUTHORITIES AND TRANSPORT FOR LONDON ACT 2003 - ENFORCEMENT OF MOVING TRAFFIC CONTRAVENTIONS**

Governance Committee at its meeting on 14 October will consider a report concerning Moving Traffic Contraventions (MTCs) which comprise a number of traffic regulations, including, but not limited to, banned right, left and U turns, no vehicle entry, yellow no stopping box junctions and vehicle type access restrictions.

The Traffic Management Act 2004 places a duty on Local Authorities to ensure the free flow of traffic on the roads they manage and provided the process for issuing, processing and dealing with challenges related to Penalty Charge Notices (PCNs) issued for parking, bus lane and moving traffic contraventions. MTCs however are enforceable by the Council pursuant to the London Local Authorities and Transport for London Act 2003 (LLATFLA).

There are a limited number of locations in Havering where MTC enforcement could be applied, and the Committee will consider whether these locations would benefit from such enforcement in terms of improved driver behaviours, improved traffic flow and road safety.

Signage will need to be placed at the entrance points to the borough and in key locations where the moving traffic and civil parking enforcement will take place to ensure all motorists are aware that camera enforcement will be in operation. Alongside this process, it is proposed that all locations shall be checked to ensure there was a need for enforcement and all locations met the regulatory requirements for enforcement.

The Council cannot enforce the relevant MTC unless it resolves to do so, such decision falling to full Council. The Governance Committee will be asked to consider whether or not to recommend adoption of the London Local Authorities and Transport for London Act 2003 (LLATFLA) provisions to Council. If adopted there will be a need for consequential amendments to the Constitution. Should Council resolve to adopt the MTC provisions, a further report to Cabinet will be submitted in relation to the operational aspects of enforcement.

If the proposals are accepted by the Governance Committee, it will recommend to the Council that it makes a resolution to adopt the enforcement of Moving Traffic Contraventions within the whole of Havering in accordance with the provisions set out in the London Local Authorities and Transport for London Act 2003.

**Recommendation:**

**Subject to the approval of Governance Committee, that the enforcement of Moving Traffic Contraventions be adopted within the whole of Havering in accordance with the provisions set out in the London Local Authorities and Transport for London Act 2003.**

## **COUNCIL, 22 OCTOBER 2014**

### **REPORT OF THE GOVERNANCE COMMITTEE**

#### **REVISIONS TO THE OVERVIEW & SCRUTINY GOVERNANCE STRUCTURE**

Governance Committee at its meeting on 14 October will consider a report concerning Overview and Scrutiny Committee structure. The Committee will be reminded that following a Member-led review of Scrutiny in 2013 it was recognised that the majority of councils across London, and many nationally, had an “overarching” Overview and Scrutiny committee which co-ordinated the work of thematic sub-committees, overseeing requisitions of executive decisions and ensuring the avoidance of duplication in terms of topic groups and other scrutiny activities. It is proposed that similar arrangements be established in Havering.

Since coming into force in 2002, Havering has adopted an O&S structure whereby individual committees take ownership for scrutinising specific areas of responsibility, operating their own requisition powers. Currently, there are seven O&S committees: Value, Towns and Communities, Environment, Children and Learning, Individuals, Health and Crime and Disorder

The 2013 review identified that various models for O&S had been developed across the country and that a “no one size fits all” approach existed. Some local authorities had adopted a “one for one” style, where the O&S Committees matched service delivery areas; others had adopted a cross-cutting system, with O&S committees matched to activities that were common to a number of service areas. The majority of councils across London, and many nationally however, had adopted a single, over-arching O&S committee with sub-committees (known by a variety of names) covering specific areas, some permanent, others set up with a limited scope and timeframe that were dissolved upon completing their task.

As part of the review, Best Practice authorities in O&S as recognised by the Centre for Public Scrutiny (CfPS) were visited. Visits to Enfield and Hackney demonstrated the advantages of an overarching scrutiny board which coordinated the work of themed committees. Hackney, in particular, used its O&S Board as the vehicle by which the effectiveness of scrutiny was monitored and through which work - undertaken by the themed committees - could be directed to avoid duplication and to ensure that areas of priority and, importantly – issues that scrutiny could influence – were being pursued.

It was consequently proposed that a single O&S Board be established in Havering to undertake all call-in functions and to act as a vehicle by which the effectiveness of scrutiny is monitored and where work undertaken by themed sub-committees could be co-ordinated to avoid duplication and to ensure that areas of priority were being pursued. This Board would subsume the role of the current Value Scrutiny Committee which oversees general management matters. It is proposed that the

other current O&S committees would become sub-committees to the new Overview and Scrutiny Board. The sub-committees would continue to form topic groups.

In order for this arrangement to function effectively, the Chairs of the O&S sub-committees would have automatic membership of the new O&S Board to ensure good co-ordination. The Board would need to be politically balanced and its size would therefore need to depend upon the political balance of the distribution of Chairs of sub-committees.

Depending upon the agreement of the Group leaders it is proposed that, as the Chairs of Scrutiny had only recently been decided by the Council, the current Chairs of scrutiny committees become Chairs of the relevant sub-committees. It is further proposed that Council appoints one of the Chairs of the sub-committees to also be the Chair of the Overview and Scrutiny Board.

If these proposals are accepted by Council and given the political affiliation of current Chairs, the Overview and Scrutiny Board would need to be a Committee of 16 members in order to comply with political balance requirements. Under these circumstances, the allocations would be as follows:

- 7 Conservative
- 3 RAs (the current Chairs of Environment, Individuals and Health)
- 2 UKIP (including the Chair of Towns and Communities)
- 2 EHRG (including the current Chair of Children's)
- 2 IRG (including the current Chair of Crime & Disorder)

If the proposals are accepted by the Governance Committee, it will recommend to the Council that it makes a resolution to adopt the following changes to the Overview and Scrutiny Committee arrangements:

- 1) An overarching Overview & Scrutiny Board be established in accordance with the political balance rules
- 2) The following Overview and Scrutiny committees be converted to sub-committees of the overarching Overview & Scrutiny Board:
  - Towns & Communities
  - Health
  - Individuals
  - Environment
  - Crime and Disorder
  - Children & Learning
- 3) That Council nominate one of the chairs of the Overview and Scrutiny Sub-Committees to Chair the Overview & Scrutiny Board
- 4) The Overview & Scrutiny Board will comprise all of the chairs of the Overview and Scrutiny sub-committees together with such other members nominated to the Board to meet the political balance requirements.
- 5) The Council's Monitoring Officer, using her delegated powers make the necessary changes to the Council's Constitution in respect of the proposed revisions to Overview and Scrutiny.



**Recommendation:**

**Subject to the approval of Governance Committee, that the changes to the Overview and Scrutiny Committee arrangements outlined above, be accepted by Council.**

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## **EXTRAORDINARY COUNCIL, 22 OCTOBER 2014**

### **REPORT OF THE MONITORING OFFICER**

#### **SUBJECT: RE-ESTABLISHING THE COMMITTEES OF THE COUNCIL**

At its annual meeting in June earlier this year, Council appointed its Committees for the coming municipal year. Subject to the agreement of the proposed changes to Overview and Scrutiny, Council will be required to revisit the appointments to reflect the changes.

This report deals with the numbers, sizes and composition of Committees, and makes recommendations for appointments consistent with previous decisions.

There are no human resources or equalities and social inclusion implications or risks attached to this report.

#### **RECOMMENDATIONS**

- (1) That, so far as necessary to enable any changes proposed and agreed during this meeting to be carried in to effect, Council Procedure Rule 20.2 (proposals to amend the Constitution to be referred to Governance Committee without discussion) be suspended.
- (2) That, subject to the Council's consideration of any motion or amendment before the meeting relating to changes in the Committee structure, the revised list of Committees in Appendix 1 be appointed for the remainder of the 2014/15 Municipal Year and that:
  - (a) As required by statute, two voting co-optees representing the Church of England and the Roman Catholic Church and three parent governor co-optees selected in accordance with the appropriate Regulations, be appointed to the Children & Learning Overview and Scrutiny Sub-Committee.
  - (b) The other non-elected member "appointments" and invitations to attend shown in the Appendix (and particularly its annexes) be confirmed.
- (3) That, subject to any adjustments required in consequence of decisions made at meeting, the Committees listed in Appendix 1 be appointed with:
  - (a) The memberships sizes and

- (b) The political balance indicated in Appendix 2 and its annexes
- (a) The sizes and seat allocation of the proposed Overview & Scrutiny Board and its Sub-Committees, be agreed on the basis of the allocations proposed in Appendix 2 (as amended at the meeting).
- (b) That the suggested political balance of those Committees (in accordance with the principles detailed in Appendix 3), be noted and accepted, and seats allocated to Groups accordingly.

**Legal Implications and Risks:**

Section 15 of the Local Government and Housing Act 1989 provides that an authority must review the representation of different political groups on its committees and appoint to those committees in accordance with the following specified principles:

- that not all seats on a body are allocated to the same political group;
- that the majority of the seats on a body are allocated to a particular group if the number of persons belonging to that group is a majority of the authority's membership;
- that the number of seats on ordinary committees which are allocated to each political group bears the same proportion to the total of all the seats on the authority's ordinary committees as is borne by the number of members of that group to the membership of the authority;
- that the number of seats on the body which are allocated to each political group bears the same proportion to the number of all the seats on that body as is borne by the number of members of that group to the membership of the authority.

Where an authority has determined the allocation of seats to different political parties it has a duty to make appointments to such bodies as soon as practicable after the determination to give effect to such wishes about who is to be appointed to the seats which are allocated to a particular political group as are expressed by that group.

Section 17 of the Act allows exemption from the political balance provisions provided a resolution to effect different representation is passed without any member of the authority voting against.

Where at any time the representation of political groups falls to be reviewed it is the duty of the authority as soon as practicable after the review to determine the allocation to different political groups into which the members of the authority are divided.

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The Local Government (Committees and Political Groups) Regulations 1990 contain detailed provisions as to how the grouping of members and the political balance requirements are to be effected.

The contents and recommendations of this report are in compliance with the 1989 Act and the 1990 Regulations.

Pursuant to Rule 20.1 of the Council Procedure Rules, the Council has capacity to suspend Rule 20.2 for the duration of the meeting.

There are no other immediate legal implications or risks arising from this report.

**Staff Contact:** Andy Beesley, Committee Administration & (Interim)  
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**Helen Edwards  
Monitoring Officer**

**Background Papers List**

None

**APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES**

<b>Name of Committee</b>	<b>Notes</b>
Adjudication and Review Committee	<i>See annex 1</i>
Appointments Committee	
Audit Committee	
Governance Committee	
Highways Advisory Committee	
Licensing Committee	
Pensions Committee	<i>See annex 2</i>
Regulatory Services Committee	
Overview & Scrutiny Board	
Children & Learning Overview and Scrutiny Sub-Committee	<i>See annex 3</i>
Crime and Disorder Sub-Committee	
Environment Overview and Scrutiny Sub-Committee	
Health Overview and Scrutiny Sub-Committee	
Individuals Overview and Scrutiny Sub-Committee	
Towns & Communities Overview and Scrutiny Sub-Committee	
Value Overview and Scrutiny Sub-Committee	
Health & Wellbeing Board	

### **Adjudication and Review Committee**

The major part of the work of this Committee is carried out through Hearings Panels. The composition of Hearings Panels varies according to the nature of the issue adjudicated – as indicated in the following table:

<b>Type of hearing</b>	<b>Membership of Panel</b>
Corporate complaints	Three Members and a non-voting independent person
Children Act complaints	Two Members and an independent person as chairman, with voting rights
Community Care Act complaints	Two Members and an independent person as chairman, with voting rights
Housing tenancy appeals	Three Members

The independent persons used for such hearings are taken from a pool of such people appointed on behalf the Adjudication & Review Committee, managed by Legal & Governance Services, who have received training appropriate to that role.

### **Pensions Committee**

The Pensions Committee is responsible for the management of the Council's Pension Fund investment portfolio.

In addition to the Members of the Committee, there is a voting co-opted member representing the organisations that have scheduled or admitted status within the Council's pension scheme (public and private sector bodies, some of whose employees are members of the pension scheme, mainly because they are former employees whose employment has transferred to another organisation).

Although not strictly Members of the Committee, in accordance with the Constitution, two representatives of the staff are appointed by the unions to attend and contribute to meetings of the Committee. These appointees have no voting rights but are entitled to participate in the discussion of exempt or confidential material.

### **Children and Learning Overview & Scrutiny Sub-Committee**

The law requires that the Council co-opt to this Overview & Scrutiny Committee one representative of each of the Anglican and Roman Catholic Churches, and three members representing governors of schools in the three sectors of education, primary, secondary and special. All co-opted Members have the same rights as elected Members, including the right to vote, may attend when issues relating to Education are being discussed and have the right to participate in such discussions.

**It should be noted that this statutory requirement applies to any Overview & Scrutiny Sub-Committee that scrutinises education matters.**

In addition, the Council's Constitution provides for three non-voting representatives of local teacher unions and professional associations to attend meetings of the Sub-Committee and participate in the discussion of matters relating to education.



## APPENDIX 2

### RECOMMENDED SEAT ALLOCATION

Having regard to the principles of political balance and of seat allocation referred to in Appendix 1, the table overleaf proposes an allocation of seats that is a “reasonably practicable” allocation of seats and can therefore be considered the default position.

The table does not include as part of its calculations any Member who is not part of a Group under the meaning of the Local Government (Committees and Political Groups) Regulations 1990. There is one councillor who is not part of a Group for those purposes and is therefore excluded from the equation. There is therefore an allocation of seats based on 53 Members rather than 54.

The suggested allocation of seats to specific Committees and Sub-Committees is, therefore, somewhat arbitrary (although regard has been had in devising the table to relative workloads etc).

The permutations are not perfect but follow, as nearly as practicable, the considerations and principles discussed in the report and Appendix 1:

In accordance with the provisions of the Council’s Constitution:

- All Groups are represented on the Adjudication & Review, Audit, Governance, Highways Advisory, Licensing and Regulatory Services Committees
- The total number of Committee seats is allocated as “reasonably practicably” as possible
- Each Committee is balanced as “reasonably practicably” as possible, taking account of the political balance principles

On this occasion, and assuming that the recommended distribution of seats as set out in the Table to Appendix 2 (or any amendments as set out in notes to the Final or Supplementary agendas) are agreed, it has been possible to allocate to each Group its exact entitlement of seats.

			<b>CONS</b>		<b>RES</b>		<b>EHRA</b>		<b>UKIP</b>		<b>IRG</b>	
			<b>22</b>		<b>11</b>		<b>8</b>		<b>7</b>		<b>5</b>	
			<b>41.51%</b>		<b>20.75%</b>		<b>15.09%</b>		<b>13.21%</b>		<b>9.43%</b>	
<b>Governance</b>	<b>13</b>	5.40	<b>5</b>	2.70	<b>3</b>	1.96	<b>2</b>	1.72	<b>2</b>	1.23	<b>1</b>	
<b>Licensing</b>	<b>11</b>	4.57	<b>5</b>	2.28	<b>3</b>	1.66	<b>1</b>	1.45	<b>1</b>	1.04	<b>1</b>	
<b>Regulatory Services</b>	<b>11</b>	4.57	<b>5</b>	2.28	<b>2</b>	1.66	<b>2</b>	1.45	<b>1</b>	1.04	<b>1</b>	
<b>Adjudication</b>	<b>10</b>	4.15	<b>4</b>	2.08	<b>2</b>	1.51	<b>2</b>	1.32	<b>1</b>	0.94	<b>1</b>	
<b>Highways</b>	<b>11</b>	4.57	<b>5</b>	2.28	<b>2</b>	1.66	<b>2</b>	1.45	<b>1</b>	1.04	<b>1</b>	
<b>Pensions</b>	<b>7</b>	2.91	<b>3</b>	1.45	<b>2</b>	1.06	<b>1</b>	0.92	<b>1</b>	0.66	<b>0</b>	
<b>Audit</b>	<b>6</b>	2.49	<b>2</b>	1.25	<b>1</b>	0.91	<b>1</b>	0.79	<b>1</b>	0.57	<b>1</b>	
<b>Children's</b>	<b>9</b>	3.74	<b>4</b>	1.87	<b>2</b>	1.36	<b>1</b>	1.19	<b>1</b>	0.85	<b>1</b>	
<b>Crime</b>	<b>6</b>	2.49	<b>2</b>	1.25	<b>1</b>	0.91	<b>1</b>	0.79	<b>1</b>	0.57	<b>1</b>	
<b>Towns</b>	<b>9</b>	3.74	<b>4</b>	1.87	<b>2</b>	1.36	<b>1</b>	1.19	<b>1</b>	0.85	<b>1</b>	
<b>Environment</b>	<b>6</b>	2.49	<b>2</b>	1.25	<b>1</b>	0.91	<b>1</b>	0.79	<b>1</b>	0.57	<b>1</b>	
<b>Health</b>	<b>6</b>	2.49	<b>3</b>	1.25	<b>1</b>	0.91	<b>1</b>	0.79	<b>1</b>	0.57	<b>1</b>	
<b>Individuals</b>	<b>7</b>	2.91	<b>3</b>	1.45	<b>1</b>	1.06	<b>1</b>	0.92	<b>1</b>	0.66	<b>1</b>	
<b>Board</b>	<b>16</b>	6.64	<b>7</b>	3.32	<b>3</b>	2.42	<b>2</b>	2.11	<b>2</b>	1.51	<b>2</b>	
<b>Seats allocated</b>	<b>128.00</b>		<b>53.00</b>		<b>27.00</b>		<b>19.00</b>		<b>17.00</b>		<b>12.00</b>	

## POLITICAL BALANCE PRINCIPLES

The Council has a duty to make only such decisions as give effect, so far as reasonably practicable, to certain principles set out in the relevant legislation. The relevant principles are, in order of priority:

1. Not all of the seats on any Committee may be allocated to only one Group (note - the Cabinet is not a Committee).
2. The majority of seats on each Committee must be allocated to the Group having a majority of Members of the Council.
3. The total share of all the seats available for all Committees allocated to each political Group and to Members not in a Group must be proportionate to that Group's/Members' share of the total Council membership.
4. So far as can be done without conflicting with the other principles, the total number of seats on each Committee allocated to a political Group or to Members not in a Group must be proportionate to that Group's/those Members' share of total Council membership.

**In practice, Committees are balanced against the overall total of Committee places and then, so far as that overall total allows, each Committee is balanced on its own.** With the distribution of seats on the Council that results from the election, it is inevitable (a) Groups/Members will not all be able to be represented on every Committee and (b) that one Group's representation on some Committees will be at the expense of another's.

The Council may make arrangements different from those prescribed provided that no Member of the Council votes against those different arrangements.

To make such a decision each member of the Council must at least be sent an agenda indicating that the approval of alternative arrangements is to be considered. The agenda for this Council meeting meets this requirement. To accommodate this requirement this report should be treated as giving due notice so that there is no impediment to such a proposal being made.

Once the allocation of seats to Groups in accordance with the statutory procedure is undertaken, the Council is under a duty to make appointments to the Committee so as to give effect to the wishes expressed by that Group about who is to be appointed to their allocated seats.

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The “wishes of the Group” may be communicated to the Proper Officer and will be implemented forthwith. Changes may be effected at any time by notice to the Proper Officer and will be notified to all Members in the next available edition of the weekly Calendar Brief.

It should be noted that the Constitution provides that the Chairmen and Vice-Chairmen of Committees are appointed by Council and any change in membership affecting a Chairman or Vice-Chairman will therefore require consideration by Council.

### **PRINCIPLES FOR ALLOCATION OF SEATS ON COMMITTEES**

The principles of seat allocation follow the requirements of the political balance principles, using a formula that takes account of the respective sizes of the Groups and the number of seats on Committees available for distribution among the Groups.

#### **Basic allocation of seats**

The seat entitlements of the Groups are agreed by a formula using the percentage of the membership of the Council represented by each Group (or Member(s) not in a Group), operating through a sequence of stages as follows:

**First**, the percentage of each Group’s membership of the Council (and of any Members not within a Group) is calculated to two decimal places.

**Next**, that percentage is applied to the number of seats available on each Committee to agree each Group’s potential entitlement to seats on that Committee. Where the resulting figure is not a whole number, generally it is rounded to the nearest whole number following the mathematical convention that numbers below .5 are rounded down, and those .5 or more are rounded up.

In some cases, a Group may be entitled to a seat even though, rounded down, its potential entitlement appears nil, as there is a specific number of seats available on each Committee and no other Group may have more seats on any Committee than its entitlement.

The table at the top of the next page shows the basic allocation on the basis of these principles to Committee sizes ranging from 3 Members to 15:

**Table**

	CONSERVATIVE		RESIDENTS		EHRA		UKIP		IRG	
	22		11		8		7		5	
	41.51%		20.75%		15.09%		13.21%		9.43%	
<b>Size of body</b>	<b>Entitlement</b>	<b>Allocation</b>	<b>Entitlement</b>	<b>Allocation</b>	<b>Entitlement</b>	<b>Allocation</b>	<b>Entitlement</b>	<b>Allocation</b>	<b>Entitlement</b>	<b>Allocation</b>
<b>6</b>	2.49	<b>2</b>	1.25	<b>1</b>	0.91	<b>1</b>	0.79	<b>1</b>	0.57	<b>1</b>
<b>7</b>	2.91	<b>3</b>	1.45	<b>1</b>	1.06	<b>1</b>	0.92	<b>1</b>	0.66	<b>1</b>
<b>8</b>	3.32	<b>3</b>	1.66	<b>1</b>	1.21	<b>1</b>	1.06	<b>1</b>	0.75	<b>1</b>
<b>9</b>	3.74	<b>4</b>	1.87	<b>2</b>	1.36	<b>1</b>	1.19	<b>1</b>	0.85	<b>1</b>
<b>10</b>	4.15	<b>4</b>	2.08	<b>2</b>	1.51	<b>2</b>	1.32	<b>1</b>	0.95	<b>1</b>
<b>11</b>	4.57	<b>5</b>	2.88	<b>2</b>	1.66	<b>2</b>	1.45	<b>1</b>	1.04	<b>1</b>
<b>12</b>	4.98	<b>5</b>	2.49	<b>3</b>	1.81	<b>2</b>	1.58	<b>2</b>	1.13	<b>1</b>
<b>13</b>	5.40	<b>5</b>	2.70	<b>3</b>	1.96	<b>2</b>	1.72	<b>2</b>	1.23	<b>1</b>
<b>14</b>	5.81	<b>6</b>	2.91	<b>3</b>	2.11	<b>2</b>	1.85	<b>2</b>	1.32	<b>1</b>
<b>15</b>	6.23	<b>6</b>	3.11	<b>3</b>	2.26	<b>2</b>	1.98	<b>2</b>	1.42	<b>1</b>
<b>16</b>	6.64	<b>7</b>	3.32	<b>3</b>	2.42	<b>2</b>	2.11	<b>2</b>	1.51	<b>2</b>

Those figures are then applied to the total number of seats available on each Committee, the seats being allocated in order, highest entitlement first, until all seats have been allocated.

**Finally**, fine adjustment is required to ensure that, so far as reasonably practicable, the seats allocated reflect the overall proportion of Council membership held by each Group and the numerical strength of its entitlement to seats on particular Committees. For that purpose, at this stage the seat allocation of particular Committees will be adjusted from the ideally-balanced number reached in earlier stages of the process.

### **Specific allocations**

For the allocation of seats on specific Committees, several permutations are possible. Although the Council's Constitution does specify particular numbers of seats to each Committee, it is expressed as being "or such other number as the Council may agree", so there is discretion as to Committee sizes.

Once the number of seats available on each Committee has been agreed, the allocation of seats to the individual Groups would then need to be adjusted between the Groups to achieve, so far as possible and practicable, an allocation that gives each Group its proportionate share of seats overall while ensuring that each Committee is proportionately balanced. In practice, it will be impossible to achieve both aims without enlarging Committee memberships to an unworkable size, so a degree of compromise is required.

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**COUNCIL, 22 OCTOBER 2014****REPORT OF THE GOVERNANCE COMMITTEE****MEMBERS ALLOWANCES – PROPOSED REVISION OF SCHEME**

Governance Committee at its meeting on 14 October will consider a report concerning Members Allowances. The following is the substance of what is proposed.

**1. BACKGROUND INFORMATION – THE CURRENT SCHEME**

1.1 The Local Authorities (Members' Allowances) (England) Regulations 2003 provide that a Local Authority shall make a scheme in accordance with these Regulations in respect of each year. Regulation 10 provides that such a scheme shall be made before the beginning of each year commencing on 1<sup>st</sup> April. Such a scheme may be amended during the year, but only revoked and replaced with a new scheme with effect from the beginning of a year.

1.2 Members approved the 2014/15 Member Allowances Scheme at Full Council on 26 February 2014 with Members resolving that the total number of SRAs be reduced to no more than 27 in line with the Government's recommendations for the proportion of SRAs. The budget position was established on the basis of plans put in place by the previous Administration to make changes to cabinet and scrutiny positions. Not all of those changes were, however, made at Annual Council because it was the will of some Members to review the Council's Overview and Scrutiny function. A report to Council on 11 June 2014 explained that revisions to the scheme would be required ensure it fell within the financial envelope agreed. This report seeks to do that and, in addition, has regard to changes in political representation in the light of the establishment of a new political group.

**2. Revisions to the Allowances Scheme**

2.1 In light of the on-going financial pressures the Council faces with the continued reduction in central government funding, it is proposed that the level of special responsibility allowance for a number of posts be reduced, the figures for which are detailed in the table below.

2.2 In recognition of the diverse political make-up of the Council and the representation of all Groups through positions as Chairmen on various committees, it is not proposed that the overall number of posts receiving a special responsibility allowance be reduced. Despite this, the proposals which are presented on behalf of the Administration correspond with the Council's savings targets for 2014/15 and beyond because of reductions in the levels of allowances proposed.

- 2.3 To ensure expenditure does not exceed the budget position, account has been taken of the circumstance that when a councillor would otherwise be entitled - under the scheme - to more than one special responsibility allowance then that entitlement shall instead be only to **one** of them, being the one attracting the higher rate. The effect of this is that only 29 of the 33 special responsibility allowances proposed in this report will actually be paid to Members.
- 2.4 The revisions also take account of the proposed changes to the operation of Overview and Scrutiny. Clearly, should the proposals not be approved then the SRA level for the position of Overview and Scrutiny Chairman will need to be revisited as it could have budgetary implications.
- 2.5 The revised list of members' allowances, if agreed, would be as follows:

<b>Category of Allowance</b>	<b>Amount Per Member £</b>	<b>Minimum London Scheme (where applicable)</b>
<b><u>Basic Allowance</u></b>	10,208	10,703
<b>Special Responsibility Allowances:</b>		
Leader of the Council	45,048	54,769
Deputy Leader of the Administration	31,420	35,128
Cabinet Members	28,780	35,128
Leader of Principal Opposition	14,418	15,486
Leader of Minority Opposition Groups	4,000	2,392
Mayor	12,000	15,486
Deputy Mayor	4,000	2,392
Overview and Scrutiny Board Chairman	14,418	15,468 - 35,128
Overview and Scrutiny Sub-Committee Chairmen	7,650	2,392
Licensing and Regulatory Services Committee Chairmen	14,418	15,486
Regulatory Services Committee Vice-Chairman	2,000	2,392
Licensing Committee Vice Chairmen	2,000	2,392
Audit, Pensions, Highways and Governance Committees Chairmen	7,650	
Adjudication & Review Committee Chairman	2,000	
Rainham & South Hornchurch Working Party Chairman	7,650	

Note:

In accordance with paragraph 4(c) of the Members' Allowance scheme, when a Councillor would otherwise be entitled to more than one special responsibility allowance, then the entitlement shall be to only one, that being the one attracting the higher rate

- 2.6 Under Regulation 19 of the 2003 Regulations, before an authority amends a scheme, it shall have regard to the recommendations made in relation to it by an independent remuneration panel.



- 2.7 The Council uses the London Council's Independent Review Panel in this regard and that panel has published a report, "*The Remuneration of Councillors in London 2014*", in June 2014. This report discusses the role of councillors and sets out recommended allowance levels. This includes special responsibility allowances.
- 2.8 Special Responsibility Allowances (SRAs) are presented in 5 bands determined by the types of role a Member may have. The allowance levels for each band are shown in a range and as a percentage of the remuneration package for a Council Leader. This gives flexibility and takes into account the different level of complexity similar roles may have between Councils.
- 2.9 Due regard has been given to the Independent Review Panel report in determining the proposed scheme and comparisons between the proposed SRA levels and the recommendations of the Independent Panel are referred to in the table above. It can be seen that in each case - apart from minority group leaders' and chairmen of Overview and Scrutiny Sub-Committee allowances - the Allowances proposed are below the Independent Panel recommendation.

If the proposals are accepted by the Governance Committee, it will recommend to the Council that it should approve either:

- 1) The proposed revision to the Members' Allowances Scheme for the remainder of the 2014/15 municipal year as set out in paragraph 2 of above and Schedule 1 of Appendix A.

Or

- 2) Different proposals for the Members Allowances Scheme which do not exceed the budget position.

**Recommendation:**

**Subject to the approval of Governance Committee, that the changes to the Member Allowances Scheme be implemented in the manner set out above.**

## Members' Allowances Scheme

*Agreed at the meeting of the Council on 26<sup>th</sup> February 2014:*

*The new Scheme is agreed with effect from 1<sup>st</sup> April 2014 and the revocation of the Members' Allowance Scheme (2014) is effective from 31<sup>st</sup> March 2014. A revision to the scheme was agreed at an Extraordinary meeting of Council on 22<sup>nd</sup> October 2014 and is effective from that date.*

The Council of the London Borough of Havering in exercise of the powers conferred by the Local Authorities (Members Allowances) (England) Regulations 2003 hereby makes the following scheme:

- (a) This scheme may be cited as the Havering London Borough Council Members' Allowance Scheme. The new scheme shall have effect from 1<sup>st</sup> April 2014.
- (b) In this scheme, "councillor" means a councillor of the London Borough of Havering and "year" means the period ending on 31<sup>st</sup> March 2015 and any period of 12 months ending on 31<sup>st</sup> March in any year after 2015.
- (c) **Basic allowance (Schedule 1)**

Subject to paragraphs 7 and 12, for each year a basic allowance of £10,208 shall be paid to each councillor.

#### 4 **Special responsibility allowance (Schedule 1)**

- (d) For each year a special responsibility allowance shall be paid to those councillors who hold the special responsibilities in relation to the Council that are specified in schedule 1 to this scheme.
- (b) Subject to paragraph 7, the amount of each such allowance shall be the amount specified against that special responsibility in that schedule.
- (c) When a councillor would otherwise be entitled under the scheme to more than one special responsibility allowance, then the entitlement shall instead be only to one of them, being the one attracting the higher rate.
- (d) Where a Member is also a member of another authority, that Member may not receive allowances from more than one authority in respect of the same duties.

#### 5 **Child and dependent care allowance**

These expenses are expected to be met from the Basic Allowance.

## 6 Renunciation

A Councillor may, by notice in writing given to the Group Director Strategy and Resources, elect to forego any part of his/her entitlement to an allowance under this scheme.

## 7 Part-year entitlements

- (a) The provisions of this paragraph shall have effect to regulate the entitlements of a councillor to basic and special responsibility where, in the course of a year, this scheme is amended or that councillor becomes, or ceases to be, a councillor, or accepts or relinquishes a special responsibility in respect of which a special responsibility allowance is payable.
- (b) If an amendment to this scheme changes the amount to which a councillor is entitled by way of a basic allowance or a special responsibility allowance, then in relation to each of the periods:
  - (i) beginning with the year and ending with the day before that on which the first amendment in that year takes effect, or
  - (ii) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the year.

The entitlement to such an allowance shall be to the payment of such part of the amount of the allowance under this scheme as it has effect during the relevant period as bears to the whole the same proportion as the number of the days in the period bears to the number of days in the year.

- (c) Where the term of office of a councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that councillor to a basic allowance shall be to the payment of such part of the basic allowance as bears to the whole the same proportion as the number of days during which his/her terms of office subsists bears to the number of days in that year.
- (d) Where this scheme is amended as mentioned in paragraph 7(b), and the term of office of a councillor does not subsist throughout the period mentioned in paragraph 7(b)(i), the entitlement of any such councillor to a basic allowance shall be to the payment of such part of the basic allowance referable to each such period (ascertained in accordance with that paragraph) as bears to the whole the same proportion as the number of days during which his/her term of office as a councillor subsists bears to the number of days in that period.
- (e) Where a councillor has, during part of, but not throughout, a year such special responsibilities as entitle him or her to a special responsibility allowance, that councillor's entitlement shall be to payment of such part of that allowance as bears to the whole the

same proportion as the number of days during which he or she has such special responsibilities bears to the number of days in that year.

- (f) Where this scheme is amended, as mentioned in paragraph 7(b), and a councillor has, during part, but does not have throughout, the whole of any period mentioned in paragraph 7(b)(i) of that paragraph any such special responsibilities as entitle him or her to a special responsibility allowance, that councillor's entitlement shall be to payment of such part of the allowance referable to each such period (ascertained in accordance with that paragraph) as bears to the whole the same proportion as the number of days in that period during which he or she has such special responsibilities bears to the number of days in that period.

## **8 Travelling and Subsistence (Schedule 2)**

- (a) Members can claim travelling expenses for travelling outside of the Borough on official Council business as set out in Schedule 2.
- (b) Members can claim subsistence expenses on official Council business when outside of the Borough as set out in schedule 2.

## **9 Claims and payments**

- (b) Payments shall be made in respect of basic and special responsibility allowances, subject to paragraph 8(b), in instalments of one-twelfth of the amount specified in this scheme on the last working day of each month.
- (c) Where a payment of one-twelfth of the amount specified in this scheme in respect of a basic allowance or a special responsibility allowance would result in the councillor receiving more than the amount to which, by virtue of paragraph 7, he or she is entitled, then payment shall be restricted to such amount as will ensure that no more is paid than the amount to which he or she is entitled.
- (d) Payments in respect of Travel and Subsistence shall be made to the councillor on receipt of a claim form with supporting receipts/vouchers. Claims must be made within three months of the claim arising.

## **10 Pension Scheme**

No Member in the scheme is entitled to apply for inclusion in the Pension Scheme.

## **11 Financial Limits**

The Group Director Strategy and Resources will arrange for the budget for members allowances to be monitored to ensure that budgetary issues are reported to Members.

- (e) Increases in Allowances

Basic Allowances as quoted will be updated for 2014/15 by any 2014/15 increases as agreed under the annual Local Government Pay Settlement of the Joint Negotiating Committee for Chief Officers of Local Authorities or its replacement under the local pay agreement. The amounts so calculated are to be rounded up to be divisible for payment purposes.

The amended basic allowance will be found on the Internet once any annual % uplifts have been agreed.

The Travelling and Subsistence allowances will be increased in line with the increase in officer rates.

(f) **Suspension of Basic and Special Responsibility Allowance**

Where a Member is suspended, or partially suspended, from his/her responsibilities or duties as a Member of the Authority in accordance with Part III of the Local Government Act 2000, or Regulations made under that part, the part of Basic and Special Responsibility allowance payable to him/her in respect of the period for which he is suspended or partially suspended will be withheld by the Authority..

**14 Mayor and Deputy**

The Mayor and Deputy Mayor's allowance covers the cost of all Mayoral activities such as clothing, personal expenses and sundry expenses – including items such as attendance at dinners, raffle tickets, sponsorship and donations.

The Mayor and Deputy Mayor will be responsible for all such payments via the SRA, which will be taxed. The Council will meet the cost of:

- Havering Civic receptions, award pins and certificates at the civic award ceremony;
- medals, certificates and frames in the event of there being any ceremony associated with Honorary Alderman/Freeman of the Borough awards;
- gifts given on behalf of the Council in reciprocation or gifts initiated by the Council for promotional purposes;
- maintaining and provisioning the beverage machine in the Parlour;
- postage costs and all costs associated with the Mayoral transport, robes etc.

**15 Co-Optees and Independent Persons' Allowances**

The standard rate of allowance for statutory co-optees is £117 per meeting attended.

The Independent Person for standards of Members' Conduct will be paid an annual allowance of £1,000, in monthly instalments.

Co-optees and Independent Persons will be reimbursed for all travel costs in accordance with the above, whether the travel is within or outside the Borough, but will not be paid subsistence.

**16 Note**

- (g) The Council is required to keep a record of the payments made by it in accordance with this scheme.
- (h) The record is required to be available for inspection at all reasonable times free of charge by any local government elector for the borough who may make a copy of any part of it.
- (i) The Council is also required to arrange publication of the total sums paid in each year to each member in respect of basic and special responsibility allowances.
- (j) The Council is required to arrange publication of the Scheme when approved.

**Schedule 1: Members' allowances**

Category of Allowance	Amount Per Member £
<b><u>Basic Allowance</u></b>	10,208
<b>Special Responsibility Allowances:</b>	
Leader of the Council	45,048
Deputy Leader of the Administration	31,420
Cabinet Members	28,780
Leader of Principal Opposition	14,418
Leader of Minority Opposition Groups	4,000
Mayor	12,000
Deputy Mayor	4,000
Overview and Scrutiny Board Chairman	14,418
Overview and Scrutiny Sub-Committee Chairmen	7,650
Licensing and Regulatory Services Committee Chairmen	14,418
Regulatory Services Committee Vice-Chairman	2,000
Licensing Committee Vice Chairmen	2,000
Audit, Pensions, Highways and Governance Committees Chairmen	7,650
Adjudication & Review Committee Chairman	2,000
Rainham & South Hornchurch Working Party Chairman	7,650

**NOTES:** The basic allowance will be uplifted each year in accordance with paragraph 12.

## **Schedule 2: Travel and Subsistence**

Travelling expenses can only be claimed for travel outside of the borough on official Council business. The rules and entitlements for reimbursement of travel outside the Borough are the same as those for officers.

Subsistence allowances are only payable for official Council business outside the borough where the duties entail an overnight stay or working outside 'normal office hours'. Members will be reimbursed actual expenditure incurred up to the maximum of the rates set for officers

Allowances are payable on the basis of expenditure incurred and receipts must be submitted to support claims for subsistence allowances and travel costs

Travel and subsistence arrangements for key events will be set in line with the above. Taking account of the practicalities of arrangements however, these will be set out and documented by the Group Director Strategy and Resources, prior to each event and be agreed with the Cabinet Member for Value.

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**COUNCIL, 22 OCTOBER 2014**

## **Report of the Leader of the Council**

### **Employment of the Chief Executive**

This report seeks members' approval to agree a reduction in hours from the Chief Executive with effect from December 2014.

The Chief Executive indicated that she wished to retire on her 61st birthday which is in November 2014. However following discussions with the Leader, the Chief Executive agreed to remain in post to ensure the stability of the Council during a significant period of change and transformation. However she would wish to do so on reduced hours.

Under these proposals, the Chief Executive's pay would be reduced on a pro-rata basis to reflect a minimum three-day working week - even where her actual working week was longer. In addition, Cheryl Coppell wishes to take a further 10 per cent voluntary reduction in her salary, in recognition of the current pressures on the organisation and its staff.

The Chief Executive would also request the release of her personally-accrued pension, in line with the pension regulations.

### **RECOMMENDATION**

It is recommended that the Council:

1. Agrees to the Chief Executive reducing her hours flexibly to suit the Council's needs by at least one day and no more than two days a week, with her pro-rata salary set at the equivalent of a three-day working week.
2. Waives the Staff Employment Procedure Rules, to facilitate the formal resignation and re-appointment on reduced terms of the Chief Executive.
3. Authorise the Leader of the Council to review and change the working hours once implemented, as and when required.
4. Notes and accepts the Chief Executive's voluntary 10 per cent reduction in salary, over and above the pro-rata adjustment.
5. Authorise the Leader of the Council, after consultation with the Director of Resources and the Director of Human Resources and Organisational Development, authority to finalise any further actions and agreements necessary to implement the Council decision.

6. Authorise the Monitoring Officer to amend the Constitution if necessary to reflect that the Group Directors will be required to cover for the Chief Executive in her absence.

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<b>REPORT DETAIL</b>
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1. Cheryl Coppell came to this Council in March 2007 from Slough Borough Council, where she was Chief Executive. She has worked mainly in local government since 1975 with the majority of her pension contributions having been met by her previous Authorities.
2. Havering Council faces a significant convergence of challenges and opportunities over the next three to four years with a significant budget strategy to be implemented. This report outlines the option to retain the current Chief Executive, Mrs Coppell, to deliver the Council's agenda over the period of the Council's medium term financial strategy. The objective is to place the Council in the best position to retain a strong leadership team and consider senior workforce planning at this critical time.
3. Mrs Coppell indicated that she wished to retire. However, following discussions with the Leader she has agreed to consider reducing her working hours rather than retiring immediately.
4. In cases involving the Chief Executive and Chief Officers the Council's policy is that the appropriate Member committee, (in this case Full Council), determines the terms and conditions of the contract of the Chief Executive. Full Council should consider carefully the detailed merits of the individual case, taking into account the Council's financial position, the cost reduction set out in the report and the professional contribution of the Chief Executive.
5. If agreed, the part-time contract and release of pension involves no cost to the Council and will deliver an on-going saving at a time when the Council needs to reduce its overall costs. The Director of Resources has discussed this proposal separately with the Group Leaders.
6. The proposal would enable Mrs Coppell to continue to be employed, on a pro-rata salary set at three days per week. Whilst Mrs Coppell would

ideally like to reduce her hours to three days a week, she recognises that this may not be possible at all times. In particular, if the Council agrees the new reduced management structure (set out in a separate agenda item), Mrs Coppell would work for four days a week, without additional remuneration, while this was bedding in. She would also work flexibly to undertake more days at particularly busy times in order to ensure sufficient management is available – again without additional remuneration. It is proposed that the Leader of the Council agrees detailed working patterns with Mrs Coppell to ensure sufficient management cover is available.

7. In addition Mrs Coppell has voluntarily proposed a 10 per cent reduction in her pro rata pay because she feels this is appropriate and fair, given the financial challenges the Council is under. This reduced level of pay would be personal to Mrs Coppell and would not be taken as the starting point for the Chief Executive's salary level, as and when it becomes necessary to advertise for a replacement (though it should be noted that all salaries, including senior salaries, are currently under review as part of the terms and conditions saving proposal within the budget strategy). These arrangements would also allow Mrs Coppell to receive her pension.
8. Mrs Coppell has made clear she will continue to cover all key aspects of the Chief Executive's role. Separately, Mrs Coppell will continue to discharge her role as the Council's Returning Officer for relevant elections, devoting the same hours and commitment to this role as she does presently. The relevant duties and fees are not affected by this proposal.
9. This change, on the terms set out above, will deliver a potential saving to the Council. The exact level of saving will depend on the final working hours agreed, however, it will deliver approximately £90,000 pa with on-costs, at a time of unprecedented cuts across the public sector. In addition Mrs Coppell's voluntary 10 per cent pay cut would deliver an additional £10,000 pa approximately. Along with pension contributions referred to later in the report, this will give a total saving of approximately £120,000 pa.
10. There are a number of other examples nationally of Chief Executives successfully discharging the role when working in a non-full-time capacity. These range from shared Chief Executive arrangements across two councils, to arrangements similar to the one being proposed for Havering. For example the Chief Executive at Lewisham Council moved to 3 days a week from June 2011. The Chief Executive of Redbridge Council has also reduced his hours to part-time. The Chief Executives of Basildon Borough Council and Chelmsford Borough Council also moved over to a three-day working week.
11. Unlike most other senior part time arrangements which have been agreed by other councils, Mrs Coppell is a deferred member of the pension scheme and the pension regulations do not allow for deferred

members to take flexible retirement - the most easily-arranged process for senior managers who have opted to work part-time. In order to achieve the part-time hours and release of pension in this instance, Mrs Coppell will need to effectively leave the Council's employment for up to one week and then be re-engaged on a part-time basis.

12. In Mrs Coppell's case, no contribution would need to be made to the pension fund to enable release of her pension from December 2014. Mrs Coppell will not re-join the pension scheme, should the reduction in hours commence. The employer's fte costs to the pension scheme for somebody on the Chief Executive salary point would equate to approximately £21,000 thus saving employer's costs whilst she remains part time and in post.
13. Although Mrs Coppell would still retain overall responsibility and accountability she would be supported by two experienced group directors.
14. The only other viable alternative if Mrs Coppell is unable to change from a full-time to a part-time basis with release of her accrued pension, is that Mrs Coppell retires and the Council immediately seeks to recruit a new full-time Chief Executive. Current adverts for the role of Chief Executive and data from London Councils, indicate that Havering's Chief Executive is currently paid in the bottom quartile.
15. There is a need to ensure stability at senior management level and elsewhere on this agenda the Chief Executive has presented a further paper to Full Council detailing her recommendations for the senior management structure of the Council. In order for Members to have taken account of all relevant considerations in relation to this report they should have taken note of that report prior to making a determination in respect of this report.

## **IMPLICATIONS AND RISKS**

### **Financial implications and risks:**

1. This report recommends that the Council agrees to the Chief Executive's request for release of her pension and a reduction in hours from December 2014. This is a critical post for the Authority going forward.
2. The Chief Executive's salary is approximately £163,000. If this report is agreed, the Chief Executive will receive a pro-rata salary of approximately £88,000 pa for 3 days a week, inclusive of a ten percent voluntary reduction in salary. There will be no additional pension costs to the Council and because of the proposed reduction in pay Mrs Coppell is proposing to take, there is an on-going saving of approximately £120,000, as against recruiting to the position full time. The Chief Executive will also receive her pension at no additional cost to

the Council. This saving will help the Council meet its budget reduction targets at a time of unprecedented funding cuts, when senior management costs need to be kept under review. As part of this, Mrs Coppell has stated she proposes to report further tonight on the proposed senior management structure.

3. These adjustments will not affect the substantive Chief Executive post, as there may be a time in the future when the Council wishes to recruit to a full time position again.

**Legal implications and risks:**

1. The purpose of this report is to facilitate a form of flexible retirement for the Chief Executive by enabling her to reduce her working week from 5 days per week to 3 and to gain access to her pension, to achieve a saving for the Council and to ensure the continuity of high level management, leadership and stability through a significant period of change and transformation.
2. The Local Government Pension Scheme allows flexible retirement of this nature to scheme members and The Council's scheme requires an application to the Pensions Panel. Determination of the application would be mostly based on the strain on the pension fund rather than on other considerations, so whilst discretionary, in practice approval is very much a matter of course in the vast majority of cases. Once granted the applicant remains an employee on the reduced terms.
3. However as the Chief Executive deferred her pension some time ago, she is not a current member of the Local Government Pension Scheme and consequently unable to make a flexible retirement application.
4. This report proposes a means whereby a similar outcome may be achieved. In legal terms in order to gain access to her pension the Chief Executive will need to resign her position and in order to undertake her job on reduced hours and terms she will need to be appointed afresh. A new appointment at this level has a process specified in the Staff Employment Procedure Rules. However, the current unique situation is not envisaged in that process which does not make provision for what is a continuum. A wholly new appointment is not sought at this time. The Council may wish to determine to waive the Staff Employment Procedure Rules in this instance. Whilst departing from the Procedure Rules may give rise to a higher risk of challenge, by setting out its purpose in detail the Council will be able to demonstrate that it has acted reasonably in all the circumstances of the case. Moreover the proposals comply with Section 7 of the Local Government and Housing Act 1989 which requires that every appointment of a person to paid office or employment shall be on merit. The Chief Executive has unique credentials to fulfil that criterion.

**Human Resources implications and risks:**

1. The Chief Executive is entitled to retire with immediate effect giving only her contractual notice. The report concludes that the only sustainable and viable option should the Council wish to retain the services of the current Chief Executive is, following the request of the Leader, to accept her reduction to part time hours and release of her pension as accrued to date. There will be no additional pension due as a result of the reduction to part hours. Any release of her pension will be in line with the Pension Panel, as delegated by Pensions Committee. This approach allows the Council to take an evolutionary approach, within the medium term financial framework to ensure delivery of the transformation and efficiency programme, the managed transfer of intellectual property and developing people and leadership whilst continuing to be a forward looking and ambitious council, best placed to respond to the wider public sector reform.
2. The Chief Executive will require a new contract of employment to facilitate the move to part time working.
3. Mrs Coppell has evidenced her strong leadership and the Council has already had a number of other staff reduce their hours and release their pension in line with the Pension Regulations and Pension Committee adopted Discretions Policy Statement decisions.

**Equalities implications and risks:**

1. Members' attention is drawn to the effect of the Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011 and the Equality Act 2010 which abolished the national retirement age.
2. In line with all employees, the Chief Executive can opt to retire with immediate effect and claim her accrued pension.
3. Reducing hours and remaining in employment is a very useful and cost effective mechanism for retaining experienced employees who might otherwise retire early to the detriment of the Council's business.
4. As this report relates to one individual's personal circumstances there is no requirement to produce an Equality Impact Assessment



**COUNCIL, 22 October 2014**

## **REPORT OF THE CHIEF EXECUTIVE**

### **Revised Senior Management Arrangements**

This report sets out revised arrangements for the Senior Management Structure within the Council following the changes to the management structure required following the first six months' operation of oneSource and the decision of one of the Council's Group Directors to leave.

## **RECOMMENDATION**

Council is recommended:

1. to approve the new arrangements set out in this report and summarised in Appendix 1.
2. to approve the assimilation of the existing Group Director of Children, Adults & Housing and Group Director of Resources into these new roles.
3. to approve the pay scales for the new director posts
4. to agree to the Chief Executive consulting with relevant staff as required on the consequential management structural requirements

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**Cheryl Coppel**  
**Chief Executive**

## **Background Papers**

### **1. Background**

The Council's Senior Management structure was last reviewed in March 2013. At that time a structure of Chief Executive and three Group Directors was established as follows:

Group Director Resources

- Finance
- HR
- Exchequer Services and Transactional Services
- Legal Services
- Asset Management
- ICT

Group Director Children Adults and Housing

- Children's Services
- Learning & Achievement
- Homes & Housing
- Adult Services
- Business & Performance

Group Director Culture, Community & Economic Development

- Streetcare
- Culture & Leisure
- Economic Development
- Regulatory Services
- Customer Services and Corporate Policy and Transformation
- Communications

A Director of Public Health was also appointed at that time although the post holder left the Council 9 months ago and interim arrangements under the Group Director of Culture, Community and Economic Development have been in place since then.

Several factors have come together to necessitate a reconsideration of the top management structure.

When oneSource was established, the Directors of Resources of Havering and Newham were made joint Managing Director for the first six months of the oneSource operation in recognition of the high workload needed to establish the Partnership. That first six months has now ended and so there was a need to fill the Managing Director post with one individual.

The Leader and Chief Executive had discussed the situation with regard to oneSource and both expressed the view that they would want Havering's Director of Resources to remain with the Council rather than potentially becoming, the Managing Director of oneSource. Both the Leader and Chief Executive felt that though the operational delivery of back office services, including Finance, will come from oneSource in future, Havering cannot afford to lose the expertise and experience of the Director of Resources to guide the Authority through the next few years



of challenging financial circumstances. The Director of Resources indicated that he would stay with Havering if required.

At present the cost of the Director of Resources post is 50% charged to oneSource and so his return to the Council will cost additional money.

This matter was under discussion and consideration when the Group Director of Culture, Community & Economic Development expressed her intention to resign as of December 2014, thus moving the Council to a position whereby the Chief Executive needed to review the management team structure for the future.

## **2. Overall Considerations**

The Chief Executive has needed to take a conflicting set of considerations into account in thinking about what to recommend to the Council.

There is no doubt that this is a challenging time for the Council and therefore a time when strong, experienced leadership is needed from the Senior Team. Reducing the number in the team at this time is therefore challenging. However, it is also true that the Council has just embarked on a major budget reduction strategy that, while it will cause additional work in the short term, will result in an overall downsizing of the Council over the medium to long term. The Council may therefore need additional capacity in the short term, but to downsize its top team thereafter.

Management changes have already been made as a result of the Director of Resources losing direct management responsibility for back office functions with the consolidation of oneSource, though he remains responsible for their strategic direction and remains the Council's Section 151 officer. The Director now manages corporate policy and performance functions, transformation and regulatory services. However, it is considered that he does still have capacity to take on some additional roles. The final structural position in respect of public health is also still under consideration though it is reporting to this Director as a temporary measure.

Functions currently managed by the role of Director of Culture, Communities and Economic Development are:

- Street Care
- Culture & Leisure
- Economic Development
- Communications

### **3. Options Considered**

#### **Option1**

Replace the Group Director Culture, Community & Economic Development on a like-for-like basis with some redistribution of responsibilities to the Director of Resources.

#### Advantages

- Provides significant management oversight of challenging areas that are undergoing change.

#### Disadvantages

- Time lapse to recruit appropriate person (6-9 months depending on notice period).
- Need for interim arrangements in the meantime.
- Additional cost as management team will need to absorb 50% costs of Director of Resources, which was previously paid by oneSource.
- Long term downsizing may require a reduction in Group Director headcount leading to associated redundancy costs

#### **Option 2**

Replace Group Director Culture, Community & Economic Development with a lower graded post, after redistributing some of the responsibilities to the Director of Resources.

#### Advantages

- Additional management capacity.

#### Disadvantages

- Recruitment time lag as above.
- Reduction in salary of new post could only be £20-30k as otherwise it would be equal to the Head of Service posts that report to it.
- Still additional cost because of need to absorb 50% of Director of Resources post.

#### **Option 3**

Divide the responsibilities of the Group Director Culture, Community & Economic Development between the remaining Directors moving to a two Senior Director structure with compensatory support during the period of intense change over in the next 18 months.

#### Advantages

- Continuity of senior leadership
- Makes full use of capacity available in Director of Resources and statutory Section 151 role
- Can be enacted immediately
- Overall management overhead saving achieved

- Can provide additional resources to support directors through interim arrangements and can reallocate planned resource changes.

Disadvantages

- Potential management stretch
- Risk of cover with only two senior directors
- Recognition that Directors could not cover all meetings and Heads of Service roles would need to cover some meetings (could also be seen as an advantage in management development terms to the Heads of Service)

**4. Recommendation**

Given the above, the Chief Executive recommends Option 3.

**5. Names of Directors**

Given the changes of responsibility, the Chief Executive proposes changes to the posts as follows:

Director of Children, Adults & Housing

Director of Communities and Resources

This recommendation comes with the caveat that sufficient resources are retained or provided to ensure the two Directors are supported in their heavy workload particularly in the short-term. The Group Director of Culture, Community and Economic Development will also be in situ until mid December to support the change.

This could be achieved in the following way:

1. Resources to support the Directors

Director of Communities and Resources

The Director has already inherited the proposal to merge Policy & Performance teams within the Council. It is proposed this new team is restructured to ensure there is sufficient support at a senior enough level to provide resilience and support for the Director.

In addition, the interim position of the Director of Corporate and Customer Transformation is retained within the Council to continue to deliver both the customer and wider transformation programme. The individual occupying this post is a skilled programme manager and can consequently be used more broadly to assist delivery of the Council's savings programme over the next 18 month period of change.

Budget for both of these two resources are already allowed for in the budget strategy proposals and so can be met without the need for additional expenditure.

During the period up to the Group Director of Culture, Community and Economic Development's leaving date she will continue to manage StreetCare, Economic Development, Culture and Leisure and Communications.

#### Director of Children, Adults and Housing

This Director already has a large and challenging portfolio. It is only intended to add the Public Health function to this portfolio as the function sits well alongside all of the other commissioning responsibilities this director already has. The Council will need to recruit a new Director of Public Health (though it is not proposed to recruit to this post as a direct report to the Chief Executive)

This Director will be losing her Policy & Performance team as part of the current budget restructuring proposal. It is proposed that a new post of Programme Support Manager is created in order to provide her with sufficient resources during this period of change.

The Director already has plans to augment her management capacity by employing a Senior Principal Social Worker. This post holder will provide a strong Quality Assurance role across Children's and Adults Safeguarding and support strong social work practice. This post is already allowed for within the Director's budget proposals.

## 2. Additional Changes

Irrespective of this change at Director level there were a number of on-going changes being discussed within some services, some aligned to budget proposals and others to facilitate co-ordinated action to particular client groups. For example, the realignment of all policy and performance staff has already been referred to above.

As part of this, consideration is being given to the future location of the community safety team. Much of their work is aligned to the early intervention work with younger people and with known offenders and their families. There are good reasons to explore whether a combination of community safety, the youth offending service, the residual targeted youth service and early intervention for 12 plus might be best combined within a single service.

Given the Council's plans to develop a housing company and better manage the market in the private rented sector it is also considered this may fit better if it is more closely linked with the regeneration and asset management functions of the Council.

These matters will be taken forward as part of implementation of the Council's budget strategy and appropriate consultations will be undertaken with staff and will follow normal delegated powers of the Chief Executive.

## **6. Assimilation and slotting in arrangements**

Under the Council's process for making appointments to posts falling within the purview of the Joint Negotiating Committee for Chief Officers in Local Government as a consequence of a senior management realignment, both remaining Directors have direct assimilation rights to these two new roles.

In the case of the Group Director of Children, Adults and Housing, her job is only marginally changed and she is carrying out a discrete but substantial 'function' that has been included in the new portfolio and therefore has a direct assimilation right to this role.

In the case of the existing Group Director of Resources, there are more substantial changes to his roles and responsibilities. However, Group Directors' job descriptions are 30% generic corporate management roles and, in addition, the Director will continue to be the Council's Section 151 Officer and take strategic direction for the back office functions covered by oneSource. In addition, the Director of Resources has previously managed at least one of the substantial services he would be inheriting. He too is carrying out a discrete but substantial 'function' that has been included in the new portfolio and in addition satisfies the statutory requirements necessary for appointment as the Council's Section 151 Officer. Accordingly, the Director has a direct assimilation to this role. ..

## **7. Grading, Pay and Remuneration for the top team**

Currently Senior Management pay is evaluated using the HAY job evaluation scheme - although it is intended to review the evaluation system for Senior Managers as part of the Council's overall review of terms and conditions. At present the grading structure for the Chief Executive and Group Directors is:

Group Director Children, Adults & Housing	£126,875 - £145,000
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Group Directors of Resources and Culture, Community & Economic Development	£113,750 - £130,000
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The Group Director Children, Adults & Housing's grade is set at the level required to attract a high calibre individual to the post. Most London Boroughs still retain two directors to cover adults' and children's services (usually at a level of £130,000 each), so this represents good value for money for the Authority. The new role being taken on by the Director of Communities and Resources has been evaluated at the same grade as

the Director of Children, Adults & Housing . Given that this post holder will take responsibility for areas covered by two postholders in most other boroughs (again usually at a grade of around £130,000) and is the statutory Section 151 Officer, this is also considered very good value for money. Council is, therefore, asked to approve this pay scale for the new director posts.

The agenda for this Council meeting contains a separate report concerning the post of Chief Executive. In order for Members to have taken account of all relevant considerations in relation to the Senior Management restructure they should have taken cognisance of that report prior to making a determination in respect of this report.

## **8. Financial implications**

The following senior management savings will be made through this proposal:

Loss of Director of Culture, Community & Economic Development and her PA	£196,000
Additional 50% Director of Resources Post currently charged to OneSource with on costs	£91,500
Total reductions on director's salaries	<b><u>£104,500</u></b>

There will also be potential further savings from the support office functions by reducing to two Group Directors. It is proposed that these will be used to augment the programme and support resources required by the Director of Children, Adults & Housing as discussed in paragraph 8 above.

## **9. Legal Implications**

Section 112 of the Local Government Act 1972 provides that a local authority shall appoint such officers as it thinks necessary for the proper discharge of the authority's functions. An officer so appointed shall hold office on such terms and conditions as the appointing authority think fit subject to compliance with the authority's pay policy statement. The proposals in this report comply with the Pay Policy Statement 2014/15 approved by Full Council on 26 March 2014.

Under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended) the power to appoint staff and to determine the terms and conditions on which they hold office is a non-executive function.

The Local Authorities (Standing Orders) (England) Regulations 2001 provide that the appointment of a Chief Officer shall be made by Members, pursuant to the Council's own procedures.

The assimilation of current post holders into the new posts is in accordance with the Council's process for making appointments to posts falling within the purview of the Joint Negotiating Committee for Chief Officers in Local Government as a consequence of a senior management realignment.

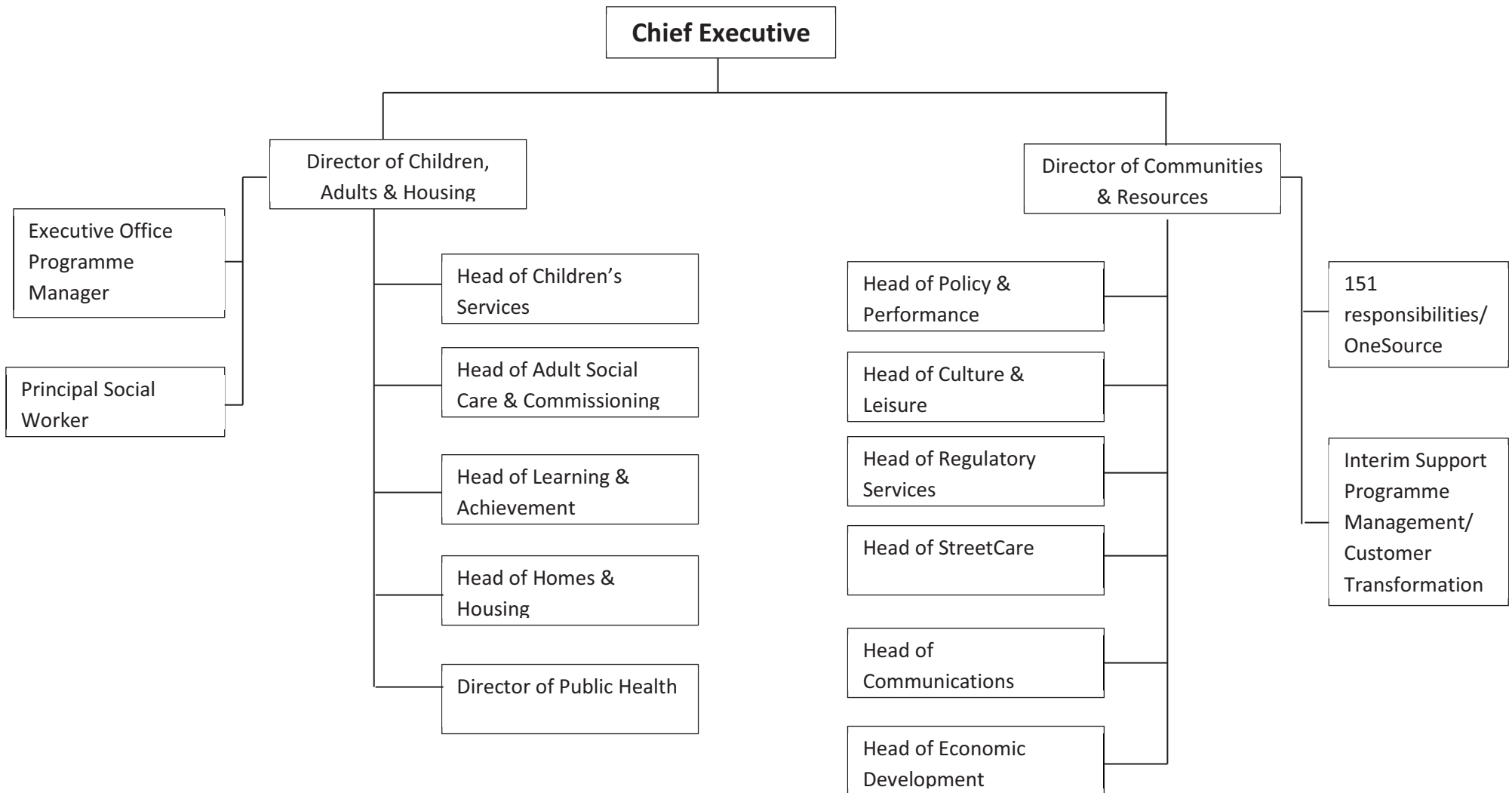
#### **10. Human Resources Implications**

These proposals will have a knock on effect to support staff and consultations will be undertaken with these staff following the Council's normal processes.

Any further changes needed at Head of Service levels will be managed in line with delegated powers and statutory consultation will take place with relevant staff as required.

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