



City of Westminster

# Minutes

Meeting:

**Urgency Committee of the Cabinet (2/2008)**

Date of meeting:

**Monday 27 August 2008 at 6.10pm**

Attendees:

**Councillors:**

**Edward Argar  
Melvyn Caplan  
Brian Connell**

Apologies:

**None**

Contact:

**Ron Cork**

Details:

**Telephone: 020 7641 3132  
Email: rcork@westminster.gov.uk**

## **1. MEMBERSHIP AND APPOINTMENT OF CHAIRMAN**

- 1.1 There were no changes to membership.
- 1.2 The Leader of the Council had nominated Councillor Melvyn Caplan as Chairman.
- 1.3 **RESOLVED:** That Councillor Melvyn Caplan be appointed Chairman.

## **2. DECLARATIONS OF INTEREST**

- 2.1 The Director of Legal and Administrative Services, Colin Wilson, declared that he and all other officers present ( i.e. Peter Hayday, Director of Finance and Resources, Graham White, Director of Human Resources and Ron Cork, Head of Secretariat ) had an interest in agenda item 4 (Performance Management and Remuneration).

## **3. MINUTES**

- 3.1 **RESOLVED:** That the minutes of the meeting held on 2 June 2008 be approved and signed by the Chairman as a true and correct record of the proceedings.

## **4. PERFORMANCE MANAGEMENT AND REMUNERATION (see report of Director of Human Resources – Item 4)**

- 4.1 The Director of Human Resources introduced this report on the proposals for a new performance management system and remuneration structure to replace the existing pay/performance management structure.
- 4.2 In order for Westminster's status as an "excellent" authority to be maintained, the Council had to have the ability to attract and retain a "world class" highly motivated workforce with the skills, competencies and motivation to meet the Council's needs in the short, medium and long term. The Council's performance management regime had to be fully aligned with its continuous performance initiatives, including WorkSmart Phase 2, by taking full account of the role of staff and managers in achieving the Council's policy objectives. It was important to have an objective and transparent link between the Council's success and rewarding employees and managers for the quality of their performance and contribution with a performance management culture to drive the Council's staff policies and re-focus employees' expectations about their work and the reward they received for their efforts.
- 4.3 The intention was for the Council to employ fewer people but to have a higher skilled and better remunerated staff. For the reasons set out in the report the current remuneration structure no longer supported the aspirations of the Council and will not allow it to meet the needs of the organisation going forward. Adopting the proposals presented would place the Council at the forefront of performance management and employment practices.

- 4.4 The Director referred to the formal trade union consultation on the proposals that had been ongoing since February 2008. Unison had recently balloted its members; 83% had indicated acceptance of the basic offer and 67% had accepted the additional payments proposals, on a 26% turnout. The Director acknowledged the contribution of Unison, who had a representative in the public gallery, in contributing to a very professional negotiating process.
- 4.5 The Director of Finance and Resources corrected the figure of £2.9m (representing the year one costs of the new remuneration package) shown in the financial summary and in paragraph 2.3 of the report. This should read £2.6m given that £300,000 was to be met from reserves as explained in the financial implications section of the report.
- 4.6 Members asked a number of questions which the Director of Human Resources and the Director of Finance and Resources responded to. These included an assurance from the Director of Human Resources that the new model of 7 broad bands, each having 7 steps, would not be allowed to “grow” in the way that the current system (now comprising 22 grades and some 250 pay points) had.
- 4.7 The principal areas of interest to Members were (1) the impact of the new remuneration structure on staff turnover and (2) the new performance management regime. In respect of (1), the Director of Human Resources said that currently no figure had been put on the anticipated reduction in turnover. However work was starting on this and he noted Members’ expectations for a reduction and for progress on this to be seen to be closely monitored.
- 4.8 In respect of (2), the Director of Human Resources noted the Committee’s request for Members to be assured that the new performance management regime would be effective, rigorous and transparent in terms of (i) staff being clear in advance of what had to be achieved in order to be rewarded, (ii) ensuring that those contributing the most were rewarded the most and (iii) it being possible to review the operation of the scheme Council-wide so that there were comparators between different departments and a mechanism for cross departmental checking of outcomes. The Director said that the new performance management arrangements were being finalised, in consultation with Unison, and he would bring details of the scheme back to Members.
- 4.9 The Chairman thanked the Director and his team, who had worked on this issue for some considerable time, for their efforts.
- 4.10 **RESOLVED:**
1. That a robust and effective performance management system be introduced to replace the current performance related pay structures that will ensure individuals, managers and the Council will achieve maximum capability and potential.
  2. That the current grading structure be replaced by a new performance driven pay and grading structure with 7 broad bands, each having 7 steps, with

bands 6 and 7 including a 10% performance element and with posts being grouped into job families.

3. That staff be assimilated to a broad band based on the grade of their post and salary as at 01.04.08 (or date of joining the Council if later) and their 2007/08 PRP bonus (if applicable) and/or social care retention allowance with the new salary being effective from 01.04.08 and any arrears being backdated to 01.04.08 (or the date of joining the Council if later) with the appropriate rate of pay for assimilation purposes and backdating taking into account any changes in employees' pay and grading since 01.04.08.
4. That annual leave provisions be as follows:

• Bands 1 and 2	26 days	30 days after 5 years' service
• Band 3	28 days	30 days after 5 years' service
• Bands 4 to 7	30 days	30 days after 5 years' service
5. That the annual leave entitlements in 4 above subsume any previous entitlements to "recess days" and time-off for Christmas shopping and any other local or Council arrangement.
6. That staff in bands 3 and 4 who have 10 years' service as at 31.03.08, retain their entitlement to additional annual leave for 10 years' service for the 2008/2009 annual leave year.
7. That staff who are entitled to additional annual leave as at 01.04.08 receive compensation as follows:  
for each day's annual leave reduced = 1 day's pay at current basic salary x2  
(a day's pay will be calculated at the rate of 1/5 of weekly salaries)
8. That premium payments be as follows:
  - Alternating (1) shift 12% p.a. in addition to basic salary
  - Alternating (2) shift 13.5% p.a. in addition to basic salary
  - Rotating (1) Shift 16.5% p.a. in addition to basic salary
  - Rotating (2) Shift 19% p.a. in addition to basic salary
  - Single shift night work 32% p.a. in addition to basic salary
  - Irregular Hours (1) 7.5% p.a. in addition to basic salary
  - Irregular Hours (2) 9% p.a. in addition to basic salary
  - Weekend enhancement (0.5) per hour worked in addition to basic salary
  - Standby per session ( over 2 hours and up to 12 hours) £25.54
  - Work on a public or bank holiday enhancement 1 hour per hour worked in addition to basic salary, and

allowances be based on step one of an employee's band, regardless of the actual step on which employees are paid (basic pay includes London Weighting allowance).

9. That the Director of Human Resources be delegated authority to agree market based salary supplements.

10. That the Director of Human Resources be authorised to provide salary protection, or agree a buy-out, for those staff whose basic salary will otherwise be less than they received under the previous pay and grading structure on the basis set out in paragraph 1.17 of the report.
11. That the changes to the current employee pay and grading policies (including all related local, London and national terms and conditions of employment ) proposed in the report be applied to all Council staff except, at least at this stage, the following:

staff in the following services:

- Schools
- Westminster Adult Education Service (WAES)
- Sayers Croft Field Centre
- CYM

staff on following pay scales:

- Teacher/Leadership Group(HT)/Lecturer/Technician/JNC/ Youth-worker/Soulbury/Coroner

12. That the Chief Executive be delegated authority to resolve, agree and implement:

- remaining phases of the remuneration programme (i.e. to the groups of staff who are not in scope for this first phase (see 11. above));
- all outstanding matters of detail and other remaining benefits, terms and conditions attached to remuneration.

## **REASON FOR DECISION**

In order to continue to provide the very best services to those who live, work and visit the City, it is vital that the Council maintains its “excellent” status. To do this, the Council has to attract and retain a “world class” highly motivated workforce with the skills, competencies and motivation to meet the Council’s needs in the short, medium and long term. The new remuneration structure will make a major contribution to the City Council being the employer of choice for those who have the most to offer.

## **5. END OF MEETING**

5.1 The meeting ended at 6.42 pm.

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CHAIRMAN:

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DATE: