

SLOUGH BOROUGH COUNCIL

REPORT TO: Audit and Governance Committee **DATE:** 11th October 2017

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WARD(S): All

PART I **FOR INFORMATION**

SETTLEMENT AGREEMENTS

1. Purpose of Report

This report updates members of the Audit and Governance Committee on the number of settlement agreements with senior managers for the past 4 financial years. It also outlines HR policies and the approach being taken to learn lessons.

2. Recommendation(s)/Proposed Action

The Committee is requested to note the report.

3. Slough Joint Wellbeing Strategy Priorities

The Joint Wellbeing Strategy priorities are taken into account when decisions are made regarding settlement agreements.

4. Other Implications

(a) Financial

There are no financial implications of this report.

(b) Human Rights Act and Other Legal Implications

The Council must comply with employment legislation and guidance when entering into any settlement arrangements.

(c) Equalities Impact Assessment

It is important to ensure that settlement arrangements do not impact disproportionately on any group.

5. Supporting Information

- 5.1 From time to time the Council may need to make settlement arrangements in relation to members of staff. **Settlement** agreements are legally binding contracts which can be used to end an employment relationship on **agreed** terms. They can also be used to resolve an ongoing workplace dispute, for example, a dispute over holiday pay

The Council does not have one simple procedure as there needs to be flexibility in order to reflect an individual's circumstances and the reason for agreeing a settlement agreement. There are however some common themes. In most cases a 'business case' needs to be prepared. This is done by either the member of staff's line manager or HR. This includes a general justification for the proposal as well as a financial justification. It also includes any lessons learnt from the case. The business case is signed off by the line manager/head of service/ director, HR, Chief Finance Officer and the Chief Executive. If the settlement is over £100,000 then the matter is presented to Full Council.

- 5.2 The table in Appendix 1 sets out the settlement arrangements entered into during the past 4 years, and a comparison with other neighbouring authorities. It can be seen that the number, and value, of settlements at Slough BC has reduced in previous years; and are generally much lower than at neighbouring authorities.
- 5.3 As stated in Paragraph 5.1, on each occasion the Council considers the lessons learnt from a particular case and considers whether there should be any changes to procedures etc.

6. Conclusion

The Committee will note the number of exit packages agreed and the costs of these.

7. Background Papers

The Annual Accounts (2013/14 to 2016/17) at Slough Borough Council, LB Hounslow, LB Hillingdon and Reading BC.

Appendix 1

Exit package cost band	Slough		Hounslow		Hillingdon		Reading	
	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages
0 – 20,000	22	204	24	200	75	612	66	555
20,001 – 40,000	9	280	16	400	21	607	39	1125
40,001 – 60,000	4	297	4	200	4	220	18	916
60,001 – 80,000	2	127	3	200	6	429	8	574
80,001 – 100,000	2	189	3	300				
100,001 – 150,000	1	149			2	257		
150,001 – 200,000							1	168
200,001 – 250,000								
250,001 – 300,000	1	285						
	41	1,531	50	1,300	108	2,125	132	3,338

2013/2014

2014/2015

Exit package cost band	Slough		Hounslow		Hillingdon		Reading	
	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages
0 – 20,000	10	85	38	300	37	389	22	201
20,001 – 40,000	8	238	15	400	15	426	8	215
40,001 – 60,000	1	49	4	200	4	244	5	212
60,001 – 80,000	2	125	2	100	4	600	1	78
80,001 – 100,000	1	81	1	100			2	184
100,001 – 150,000							1	111
	22	578	60	1,100	60	1,659	39	1,001

2015/2016

Exit package cost band	Slough		Hounslow		Hillingdon		Reading	
	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages
0 – 20,000	7	43	58	600	64	616	30	312
20,001 – 40,000	3	95	39	1100	21	567	6	173
40,001 – 60,000	2	103	10	500	11	611	1	44
60,001 – 80,000			4	300		621	2	139
80,001 – 100,000	2	191			5		1	91
100,001 – 150,000								
	14	432	101	2,500	101	2,415	40	759

2016/2017

Exit package cost band	Slough		Hounslow		Hillingdon		Reading	
	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages	Total no. of exit packages	Total cost of exit packages
0 – 20,000	19	156	65	600	66	816	35	406
20,001 – 40,000	4	118	40	1100	40	1074	5	162
40,001 – 60,000			2	100	12	590	4	191
60,001 – 80,000	1	65			5	349		
80,001 – 100,000					9	962		
100,001 – 150,000	1	305					1	128
	25	644	107	1,800	132	3,791	45	887