

## **EMPLOYMENT AND APPOINTMENTS SUB-COMMITTEE (COMPROMISE CONTRACTS)**

Thursday, 20 September 2012

Present: Councillors A Hodson C Meaden  
M Johnston

In attendance: Councillors J Green A Jones

### **1 APPOINTMENT OF CHAIR**

On a motion by Councillor A Hodson, seconded by Councillor M Johnston, it was –

**Resolved – That Councillor C Meaden take the Chair for this meeting.**

### **2 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

Members were requested to declare whether they had any disclosable pecuniary or non pecuniary interests in connection with the item on this agenda and, if so, to declare it and state the nature of the interest.

### **3 EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC**

**Resolved - That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined by paragraph 1 of Part I of Schedule 12A (as amended) to that Act.**

### **4 COMPROMISE CONTRACT**

The Interim Director of Finance submitted a report, presented by the Head of Human Resources and Organisational Development which sought the Committee's approval for the release of the Chief Internal Auditor, David Garry, with voluntary severance (VS) on 30 September 2012. Under this arrangement Mr Garry would be required to sign a compromise contract.

On 23 April 2012, the Employment and Appointments Committee (minute 86 refers) agreed that all compromise contracts with payments over £30,000 would be considered by a Sub Committee of the Employment and Appointments Committee on a proportionality of (1:1:1).

The Internal Audit Service will be restructured. The Council had in place a Deputy Chief Internal Auditor who would manage the Internal Audit Service until the restructure proposals were further developed. The Council would reduce the risk of future claims through the compromise contract process.

The Head of HR and OD circulated a copy of an exempt appendix with the financial details of the proposal. She responded to Members' comments including those of the Leader of the Conservative Group, who was present for this item, and assured the Sub-Committee that this was a basic compromise contract to secure the Council against any further employment claims and would not have a confidentiality clause.

**Resolved (unanimously) – That this Sub-Committee approves the compromise contract process is followed in relation to the Chief Internal Auditor as set out in the report. (See appendix 1).**

At 5.35pm the Chair adjourned the meeting for 10 minutes.

At 5.45pm, the Chair reconvened the meeting.

## **5 ANY OTHER URGENT BUSINESS - COMPROMISE CONTRACT**

Councillors J Green and A Jones left the meeting at this point.

The Chief Executive submitted a report, presented by the Head of Human Resources and Organisational Development, which sought the Committee's approval for the release of the Director of Law, HR and Asset Management via a Compromise Agreement. The Director of Law, HR and Asset Management would be leaving by means of redundancy.

The Head of HR and OD circulated a copy of an exempt appendix with the financial details of the proposal.

At this point the Sub-Committee adjourned for a further 10 minutes to consider issues raised in this report.

The Sub-Committee reconvened at 6.20pm.

The Sub-Committee, having discussed the associated risks, the merits of agreeing compromise contracts, financial issues and the potential matters currently under investigation and the role of the Investigation and Disciplinary Committee (I&DC) due to meet the following day, 21 September 2012, then -

**Resolved (unanimously) – That:**

- (1) In the event that the I&DC, having considered the preliminary investigation report, concluding that there is no case to answer and no further advice is appropriate,**
- (2) Mr Norman agrees to leave on agreed terms then**
- (3) the Committee would recommend the terms of such settlement as set out in the report.**

**(See appendix 2)**

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## The Employment and Appointments Sub Committee

### Financial Information : Mr David Garry

Payment reason	Value
Severance payment	£35,256
Payment equivalent to notice period (3 months)	£6,963
Outstanding Annual Leave (30 September 2012)	£1,657 (estimate)
Outstanding TOIL	£2,708
<b>Total</b>	<b>£46,584</b>

There would also be pension cost to the Council of £1,633.73 in agreeing Mr Garry's voluntary severance. As he is leaving before age 65, the Council meets the cost of allowing access to that pension.

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## The Employment and Appointments Sub Committee

### Financial Information: Mr Bill Norman

Payment reason	Value
Termination Payment	£112,848
Redundancy/Severance Payment	£28,568
Legal Costs*	£10,000
<b>Total Payment to Mr Norman</b>	146,416
<b>Total Cost to Council</b>	151,416*

\* Legal costs are split into two lots of £5,000 plus VAT. A sum of £5,000 will be part of the overall payment to Mr Norman and £5,000 will be paid direct to his legal advisor upon receipt of an invoice from him. The invoice will be stated to Bill Norman but payable by Wirral Council.

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