

Report To: Corporate Governance
Date of Meeting: 29th January 2014
Lead Member / Officer: Councillor Barbara Smith
Report Author: Catrin Roberts, HR Services Manager
Title: Settlement Agreement Authorisation Process

1. What is the report about?

The report relates to a recent review undertaken by Audit of settlement agreements. Audit concluded whilst there was no reason to doubt the validity of any of the cases that were reviewed, the Council does not have a formal policy or code of practice for dealing with cases and there are no formal procedures to follow to ensure consistency, fairness and openness or to provide an approved business case for each agreement. As a result of number of recommendations were made namely:

- Development of a policy and process for settlement agreements
- This should incorporate a business case for making the settlement agreement and a formal process for approval.
- Provision of robust information to support the case

2. What is the reason for making this report?

The purpose of this report is to provide an update on the above recommendations.

3. What are the Recommendations?

That the content of this report are noted.

4. Report details.

A draft process has been developed which addresses the areas of concern raised during the audit review.

The process includes:

- Complex Case Information Capture form – this will ensure that there is robust information to support the case and early involvement from legal to ensure that a settlement agreement is appropriate.
- Settlement Agreement Instruction form – this sets out clearly the conditions to be included within the agreement
- Settlement Agreement Authorisation process – before a settlement agreement is agreed, it will need to be authorised by the appropriate

Head of Service/Director, Head of Finance and Assets and Head of HR. This will ensure that agreements are applied consistently and fairly across the authority.

The process is currently out for consultation. Once it has been agreed the process can be implemented immediately and therefore the anticipated implementation date is early February.

5. What will it cost and how will it affect other services?

There is not a direct cost associated with the implementation of this process. The costs will be determined on a case by case basis having given due consideration to the supporting facts. What this process will do however is provide a much more robust process for the authorisation of settlement agreements which in turn will be more defensible for the authority.

6. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

There are no issues arising from the Equality Impact Assessment.

7. What consultations have been carried out with Scrutiny and others?

The process is currently out for consultation.

8. Chief Finance Officer Statement

The authorisation process will strengthen the council's position on settlement agreements and provide a fair and consistent approach across the authority. From a financial perspective it will ensure that any agreement reached is the most cost effective way of dealing with the issue.

9. What risks are there and is there anything we can do to reduce them?

The purpose of this process is to reduce the risk to the authority through providing a robust, defensible process.