

**ASSOCIATION OF LOCAL AUTHORITY CHIEF EXECUTIVES
AND SENIOR MANAGERS**

CONSULTANTS’ ANNUAL REPORT FOR 2015/16

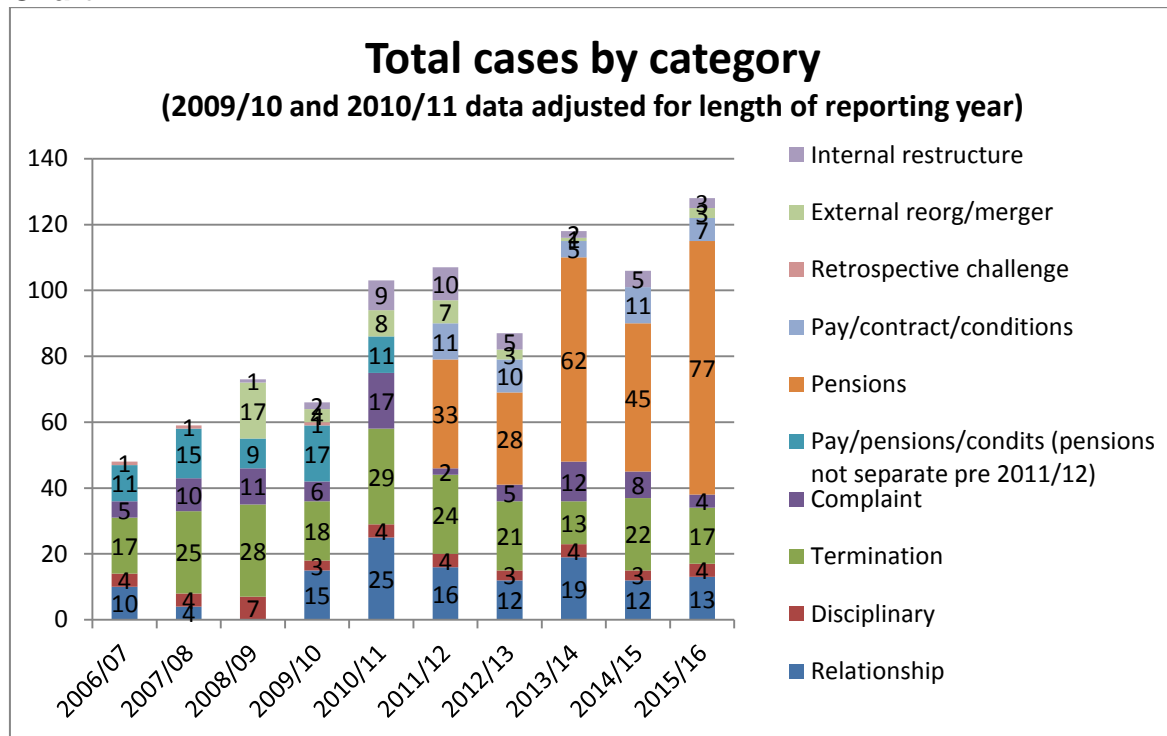
Headlines

1. The year to 31st May 2016 saw a 21% increase in the total number of cases dealt with by consultants, at the same time as the total membership fell by 5%. 128 members sought assistance – 43% of the total membership! The year was also marked by a greater amount of non-casework than usual.

Casework

2. The rise in case numbers was wholly explained by a 71% increase in the number of pensions-related enquiries (77 of them, all handled by Cheryl Miller¹), following the introduction of major pension changes, a full update on which is provided in a separate report. Pensions made up by far the largest category of cases (60%), with more than a quarter of all members of the Association turning to Cheryl for support during the year (see chart 1). Attempts are in hand to recruit an additional consultant to support her.

Chart 1



¹ The five ALACE consultants are Peter Bounds, Cheryl Miller, Roger Morris, Richard Penn, and John Schultz. They act under the guidance of the Hon Secretary and ALACE Council, to whom they report regularly. Their particular areas of responsibility and contact details appear on the Association’s website and at the end of this report.

3. This huge increase in an already high number of pensions cases involved both Heads of Paid Service² or HoPS (up 61%) and – even more markedly – council directors (up 121%)(see charts 2 and 3).

Chart 2

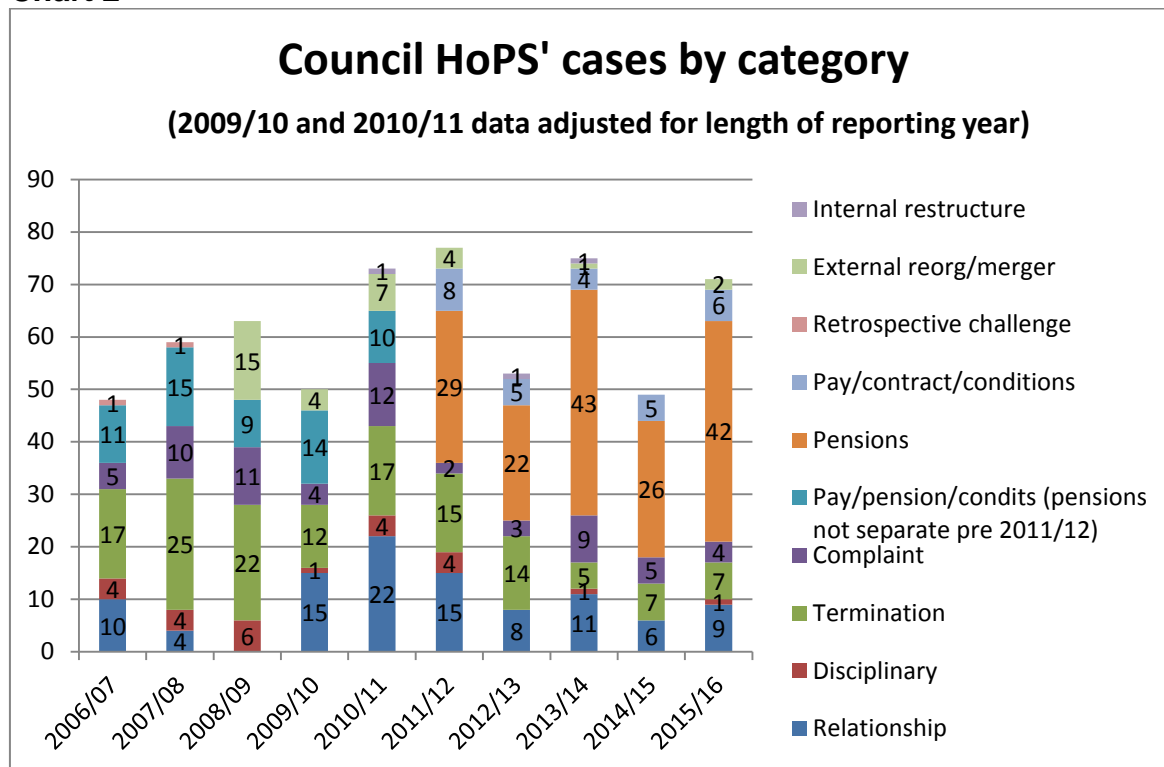
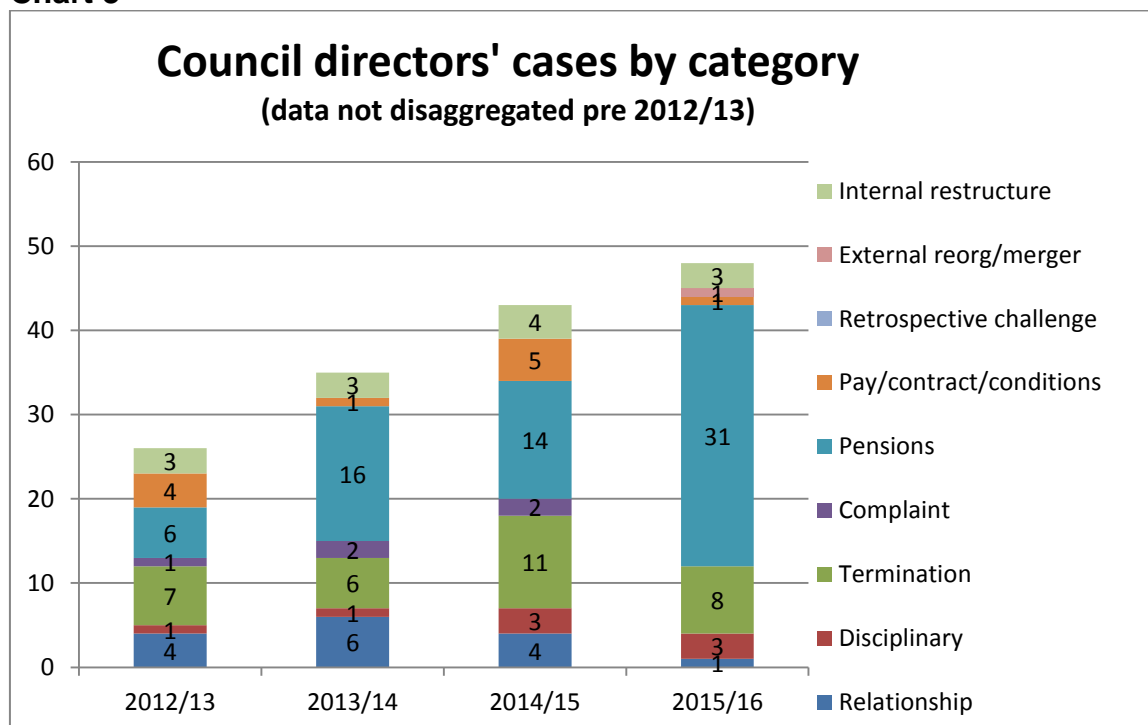


Chart 3



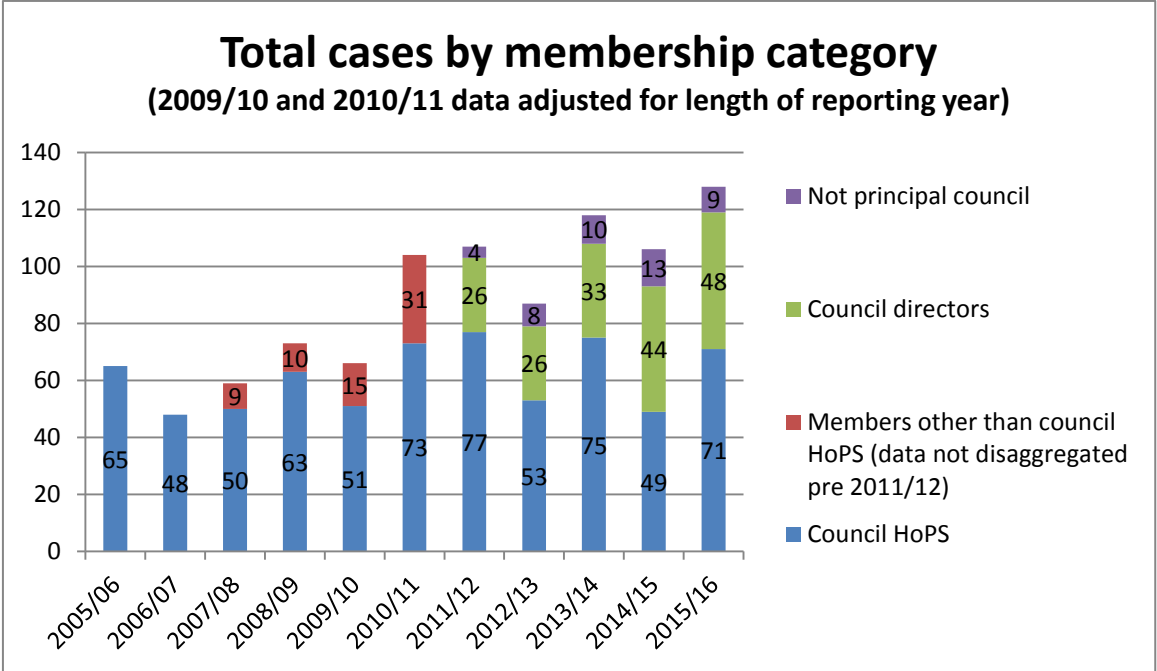
² This report has adopted the title “Head of Paid Service” (HoPS) in preference to “chief executive” for the most senior officer in a principal council, as an increasing number of such councils no longer style their most senior officer “chief executive”. But the report has retained the term “chief executive” for other authorities, as the term “HoPS” does not usually apply to them.

4. By contrast, the number of non-pension cases³ fell by 18% overall (all dealt with by the other consultants, along with the non-casework initiatives not involving pensions). Of these non-pension cases, the largest category again related to termination (despite the number falling by 23%), with female members continuing to be disproportionately affected (although much less so than in the previous year). Other categories of case either remained more or less stable, or else involved numbers that were too small to allow significant conclusions to be drawn.

5. The drop in the number of termination cases may partly reflect the diminishing scope for negotiation about severance packages, as a result of the steady stream of government (and individual council) initiatives to constrain such packages. It may also be in part a reflection of the reduced pace of internal restructuring, given that many councils have already gone down that route. Nevertheless, these obstacles should definitely not lead ALACE members to conclude that nothing can be done when faced with the threat of termination. Quite the contrary: the greater the constraints, the more important it is to obtain skilled support; and it remains the case that the involvement of experienced ALACE consultants usually secures some improvements in the packages originally offered, as well helping to protect reputations and obtain helpful references.

6. Following a disproportionate but temporary rise in 2014/15 of termination cases involving council directors (see chart 3), the split of all cases overall between membership categories in the past year closely reflected the proportion of total members in each category (see chart 4).

Chart 4

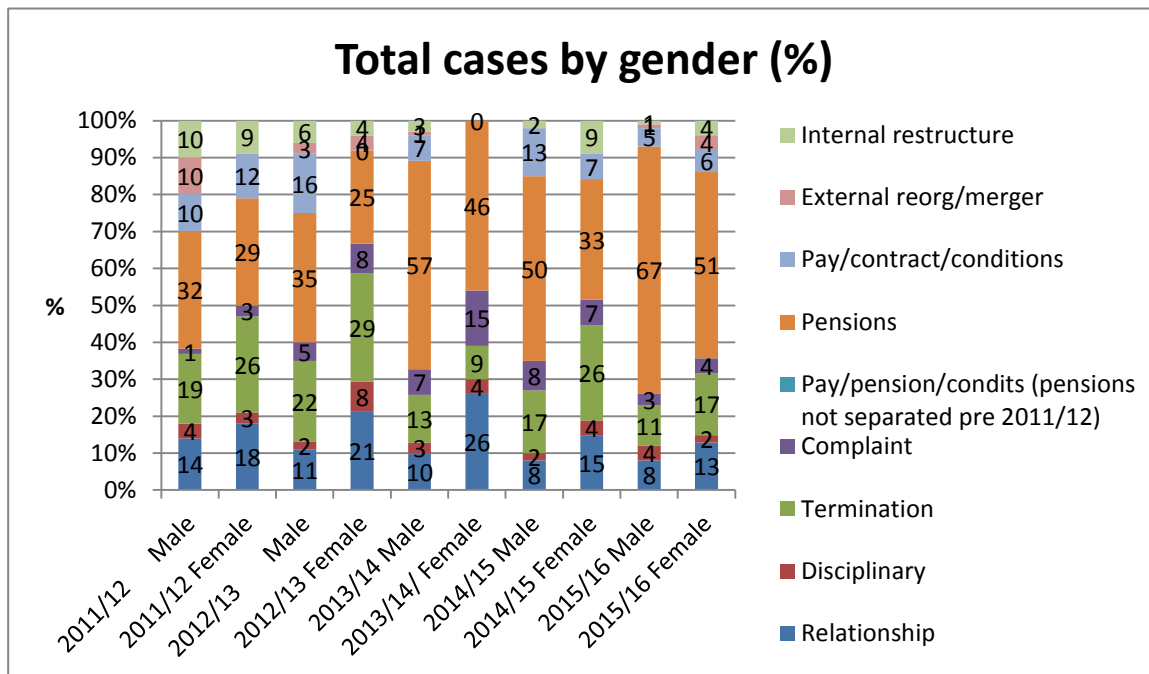


7. Cases involving women members stayed in much the same proportion as in the previous year (down to 41% from 43%), almost exactly the same as their level of representation in the membership. And, although termination cases still constituted a higher proportion and pensions cases a lower proportion than for men, differences in

³ The raw numbers of cases should be taken as only a general guide, since some cases last many months, while others are resolved in a single phone conversation; a case that runs into a more than one recording year will usually be recorded against all the years; and some cases that start in one category develop into another. See detailed description of the case categories at the end of this report.

case types between the two genders generally narrowed (see chart 5). However, one matter of significant concern centres on certain cases in the relationship category: the increasing prevalence of personal abuse directed at our members from both councillors and social media. The cases of such abuse were not numerically dominant; but a significant proportion of them involved female members, with one requiring Police intervention. This is far from a trivial matter.

Chart 5



Membership

8. Membership fell by 5% during the year, continuing the trend established over the last few years of an annual drop of 5-6%. Given the pressure on the Association’s members and the high demand for its services as evidenced above, stemming the membership decline is the only way to restrain subscription increases; and, of course, the larger the union, the better placed it will be to support and defend its members. So it would be in members’ own interest to pursue an individual recruitment drive, perhaps starting with their own close colleagues! (A flyer that sets out in simple terms the case for what must be the best-value insurance policy available appears on the website.) As far as we are aware, the pensions-related services for high earners supplied by ALACE (and which have saved some members six figure sums) are not available from any of the other trade unions which potential ALACE members are eligible to join.

9. A surprising number of senior officers still wait until they need help before applying to join. In such circumstances, a service is offered by ALACE consultants – but the officer rather than the union pays (and the case doesn’t count as an ALACE one in the statistics in this report). The bill, although charged at a modest rate, is never less than a good few years’ ALACE subscriptions, and sometimes very considerably more.

Non-casework tasks

10. The non-casework tasks undertaken by the consultants over the last year included:

- preparation of the council chief executives' successful pay claim (leading to an agreed settlement at 1% on basic salary with effect from 1 April 2016 and a further 1% with effect from 1 April 2017 for those paid on national terms) – a welcome improvement on the settlement imposed by the employers a year earlier
- keeping track of frequent and complex changes to pensions and their taxation (actual, planned, and threatened); issuing frequent email alerts about them (with associated information updates uploaded to the website); and liaising with the bespoke pension and investment services arranged by the Association
- preparation of an updated set of comprehensive Employment Guidance Notes
- a major and successful piece of work to renegotiate with the LGA the disciplinary procedures for council chief executives following the removal of the Designated Independent Persons arrangement, and the consequential redrafting of the relevant sections of the JNC for Chief Executives Salary Framework and Conditions of Service Handbook (see separate report)
- redrafting the grievance procedure in the Handbook, and involvement (with the LGA) in revising the remainder of its content (all at ALACE's instigation)
- responses to (and lobbying over):
 - the government's proposal (through the Enterprise Bill) to limit to £95k the total value of most public sector employees' exit packages in England (including the cost to the employer of meeting any actuarial reduction): initial response to the consultation (with Council member David Cook), lobbying of Parliamentarians over the Bill, submission of evidence to a Commons Committee (with Council member Ian Miller), and obtaining a leading counsel's opinion that will enable us to mount a challenge (either as an individual trade union or jointly with other unions) if any measures of dubious legality emerge in the regulations
 - a government initiative to require the repayment of some or all of exit payments received by public sector workers earning more than £80k, if they return to work in the public sector within a year of departure, through the Small Business, Enterprise and Employment Act 2015: response to the draft regulations (following response the previous year to initial proposals)
 - government proposals to limit public sector redundancy payments (on which we shall keep members updated)
 - an HMRC consultation on the simplification of the tax and National Insurance treatment of termination payments
 - the Welsh government's Local Government (Wales) Bill, in conjunction with ALACE members working in Welsh councils (following up a response the previous year to the White Paper)
- unprecedentedly close collaboration with other public sector trade unions (First Division Association, GMB, Managers in Partnership, and UNISON) over the government proposals to cap exit packages and redundancy payments (see above), with ALACE taking the lead over obtaining counsel's opinion and submitting joint responses (alongside individual union responses)
- attempts to recruit more members, including addressing a meeting of the Society of Municipal Treasurers
- continuing collaboration with SOLACE, including a contribution to the drafting of their code of ethics, and a statement on the recruitment section of each website to emphasise that membership of one body does not confer membership of the other!

- the relaunching of the ALACE website (with a completely new design and smartphone- and tablet-friendly format); updating it frequently; using the private Members' Area as a reference source for information (including on all the above matters); and assisting legions of members with their login details!

Case categories

- **Relationship.** Advice on dealing with elected members, chief officers (in the case of HoPS), the HoPS (in the case of chief officers), the external auditor, the standards committee, the media, members of the public, etc
- **Disciplinary.** Cases of actual or potential disciplinary or capability procedures
- **Termination.** Support relating to termination or possible termination of employment (including redundancy)
- **Complaint.** Cases where a member has been the subject of a complaint
- **Pensions information**
- **Pay and conditions of service (other than pensions)**
- **Retrospective challenge to package.** Cases where there is questioning of previously agreed termination terms, usually by an external auditor
- **External reorganisation or merger,** including management mergers
- **Internal restructuring**

Peter Bounds
Cheryl Miller
Roger Morris
Richard Penn
John Schultz

June 2016

The initial approach for individual support should generally be made through the Honorary Secretary:

Amar Dave

07975 539837
daveamar@aol.com

However, members are urged not to delay. If you think you may need help or advice, you should make contact as soon as possible. In the case of urgency, you may approach the appropriate consultant direct. They will cover for each other as necessary.

Peter Bounds looks after members in Scotland, the Northwest, Yorkshire and Humberside, and the Northeast.

0151 421 1069 (Liverpool)
07740 541855
pjbounds@sky.com

Cheryl Miller leads on providing information (both general and individual) on pensions and finance, as well as advising individual members with other work-related issues.

01892 539650 (Tunbridge Wells, Kent)
07852 931451
cherylmiller@hotmail.co.uk

Roger Morris looks after members in Northern Ireland, the East Midlands, the East of England, and the South East (excluding Greater London), and leads on the Local Government Pension Scheme regulations.

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07860 733992
rjb@morris.demon.co.uk

Richard Penn looks after members in Wales, the South West, the West Midlands, and London.

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07803 246891
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John Schultz acts as the webmaster, supports on policy matters, and provides practical advice and support to individual members with work-related issues

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