From: Sent: To: Subject: Richard Jeffrey 24 November 2009 13:51 Tom Aitchison RE: PRIVATE & CONFIDENTIAL - tie REMUNERATION

Thanks Tom

Richard

From: Tom Aitchison [mailto:Tom.Aitchison@edinburgh.gov.uk]
Sent: 24 November 2009 11:19
To: Richard Jeffrey
Subject: PRIVATE & CONFIDENTIAL - tie REMUNERATION

PRIVATE & CONFIDENTIAL

Richard,

tie **REMUNERATION**

My apologies for the long delay in replying to you on this. I appreciate that the deadline for views from the Council has probably passed.

Attached below is a copy of a note I have received from Jim Inch. As you will see, he recognises the appropriateness of the mechanics of the new scheme.

Best wishes.

Tom

Tom Aitchison Chief Executive The City of Edinburgh Council Waverley Court 4 East Market Street EDINBURGH EH8 8BG

Tel No: 0131 469 3002 Fax No: 0131 469 3010

From: Pat Denholm Sent: 23 November 2009 16:10 To: Tom Aitchison Subject: PRIVATE & CONFIDENTIAL - tie Remuneration Committee

Tom

My apologies for taking so long to respond to you on this matter.

As you know I had a number of concerns about the **tie** bonus proposals. I met with Richard Jeffrey in early October to discuss the matter and he took me through, both the thinking behind the proposed arrangements and the mechanics for paying bonus.

I recognise that a great deal of thought has gone into the proposals. The situation is, of course, complicated by the fact that the organisation already operates with a bonus culture . In an ideal world, with the benefit of hindsight, and in recognition of the current market place, a completely new remuneration package would be warranted. The emphasis would be centred on paying a rate for the job and using bonus much more sparingly than at present.

Richard and I discussed the implications of moving more closely to a bonus free pay environment but he explained how disruptive this might be to the organisation at this point in time. While it is clearly disruptive to **tie** it also limits the scope for shared service or closer integration between the Council and **tie**. I agree with Richard that we should avoid a 'two tier' workforce.

I am now content with the mechanics of the new scheme and my only remaining concerns are in relation to affordability and media risk. The issue of affordability needs to be addressed through performance management and I know that Richard is acutely aware of this.

The media risk is an ever present one and needs to be mitigated sensitively and proactively.

I hope this helps.

Jim

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