

APPOINTMENTS COMMITTEE

MINUTES of the meeting of the Appointments Committee held on Tuesday 5 February 2019 commencing at 10.00 am at the Meeting Room 6 - Shire Hall, Gloucester.

PRESENT

Cllr Mark Hawthorne MBE Cllr Lesley Williams MBE
Cllr Ray Theodoulou

SUBSTITUTES: Cllr Iain Dobie
 Cllr Lynden Stowe
 Cllr Roger Wilson

1. APPOINTMENT OF CHAIRPERSON

Cllr Mark Hawthorne was appointed as Chairperson for the remainder of the 2018-2019 Civic Year.

2. APOLOGIES FOR ABSENCE

Apologies were received from Cllrs Paul Hodgkinson, Nigel Moor, Kathy Williams and Ray Theodoulou.

Cllrs Iain Dobie, Lynden Stowe and Roger Wilson were present as substitutes.

3. MINUTES

The minutes of the previous meeting held on 9 March 2017 were agreed as a correct record and signed by the Chairperson.

4. PUBLIC QUESTIONS

No public questions were received.

5. MEMBERS' QUESTIONS

No members' questions were received.

6. MANAGEMENT STRUCTURE

6.1 Peter Bungard, Chief Executive and Head of Paid Service, introduced his report, the purpose of which was to update members on the first phase of changes to the Council's senior management structure; seek approval regarding the subsequent decisions and note the progress in recruiting to the re-instated role of Deputy Chief Executive.

6.2 Given a number of recent changes, conversations with the corporate management team had commenced regarding the council's operating model

and senior leadership team to ensure that we are best placed to meet our aims and objectives under '*Gloucestershire – Looking to the future*'. The recent peer review also emphasised the need for review and some clarification of the current arrangements in order to improve understanding of the model.

- 6.3 Members were advised that a like-for-like replacement for the Director of Finance had been considered; however advice indicated that there were currently many competing authorities seeking to appoint Finance or Resource Directors.
- 6.4 Research by Hay, the council's recruitment consultants, indicated that the importance, and status, of a Deputy Chief Executive position, with the ability to shape and influence across a broader range of services, would likely prove a more attract proposition to candidates.
- 6.5 It was concluded, therefore, that the best approach was to revise the senior management structure to delete the existing Director of Strategic Finance position post and replace it with the role of Deputy Chief Executive, which would combine the s151 role with oversight of a wider range of services.
- 6.6 A recruitment campaign was launched in advance of the Christmas period with a full advertisement in early January 2019. Having received positive feedback from group leaders for this approach, Hays were commissioned to work with the Head of HR to run the recruitment campaign, with a view to convening a Member Appointments Panel on 22 February 2019.
- 6.7 The Committee heard that the previous Deputy Chief Executive post was graded at Reward Band 10 (RB) within the council's existing grading structure for Chief Officers, and there was currently no intention to change the overall grading structure in respect of this post. A review of the salary for equivalent positions and advice from Hays suggested that the council may need to appoint at the top of the grade to secure the right candidate and the RB10 grade would provide that flexibility.
- 6.8 The proposal's also included amending the grade range for senior directors on RB9 (currently scale points (scp) 38 to 40) to include scp 41 and 42, with effect from 1 April 2019. This would increase the top of the grade from £125,013 to £134,318.
- 6.9 Members noted the proposal had been made in light of the age profile at senior leadership level and the fact that over the coming two to three years the council is likely to face further loss of critical knowledge and skills within this cohort. The proposal to amend the grade range also reflects what is known of market rates for senior critical positions and the experience of other councils that are struggling to recruit to these positions.

- 6.10 The Director of Children's Service is already paid an additional market supplement, which will be reduced to reflect the higher core salary. The Director of Communities and Infrastructure is currently vacant and under review. Therefore it would only be the current Director of Adults' Services post-holder who would benefit from this increase. Individuals in post would receive an increase in pay based on acceptable performance in their role in line with usual practice for an officer on a reward band grade.
- 6.11 The additional full year cost of re-instating the Deputy Chief Executive post is approximately £20,000, and increasing the maximum of the grade for senior directors (from scp 40 to 42) would also be approximately £20,000 in a full year. Therefore the total cost of the revisions to the grading structure is around £40,000, which is included in the MTFs. There are no other resource implications anticipated in respect of Personal Assistant support, ICT or accommodation.
- 6.12 The campaign to recruit the Deputy Chief Executive was launched via an initial brief advert in the Municipal Journal on 13 December 2018 designed to draw attention to a full advert on 10 January 2019. At the same time Hays have been targeting 'passive candidates' (those who are not actively seeking a move).
- 6.13 The long-listed candidates will participate in a selection assessment process, including technical interviews. The final stage will be undertaken by the Appointments Sub-Committee, and is currently planned for 22 February 2019.
- 6.14 The Chief Executive tabled some suggested amendments to the report's recommendations that were intended to create a contingency position in the event that none of the candidates might prove suitable for the Deputy Chief Executive position. This would allow the council, if needs be, to appoint to a Strategic Finance Director role rather than a Deputy Chief Executive.

In response to the report, including the revised recommendations, the Committee agreed that:

- **Subject to a successful appointment process, the post of Strategic Finance Director is replaced with effect from late February 2019 by the re-establishment of the post of Deputy Chief Executive, which will incorporate the statutory s151 Officer role.**
- **The Deputy Chief Executive post would be remunerated at its previous grade of RB10.**

- **An Appointments Sub-Committee will be held on 22nd February 2019 with the intention of appointing the Deputy Chief Executive (and s151 Officer), but with a reserve position of appointing to the Strategic Finance Director post if necessary.**
- **To support successful future recruitment revise the grade for senior directors on RB9 (currently in the range scp 38 to 40) to include two further scale points: scps 41 and 42. This currently includes the following roles: Director Children's Services, Director Adults' Services, Director Communities and Infrastructure (as well as the Director Strategic Finance).**
- **The additional cost of approximately £40k is noted.**

- 6.15 In response to a query from the Committee it was confirmed that managers from CoMT currently deputise in the temporary absence of the Chief Executive. It was therefore already established that senior management can absorb this extra responsibility in the event that a suitable candidate for the Deputy Chief Executive cannot be found.
- 6.16 Finally, the Committee requested that the council should adopt a process to identify and support employees with potential for career progression. In this regard it was noted that the Aspiring Leaders programme is currently focussed on identifying employees with potential to progress up to around head of service level within the organisation, but as currently configured the programme would not necessarily extend as far as progression to 'future director' positions.
- 6.17 The Committee resolved to pass the report's recommendations (including the amended recommendation, as outlined above).

7. PAY AND GRADING REVIEW

- 7.1 Mandy Quayle, Acting Director, HR & Digital, introduced the report by explaining that this item covered both:
- a) the implementation with effect from 1st April 2019 of the new national pay spine as the second part of the 2018-20 two year national pay deal for 'Green Book' employees; and
 - b) a review of the Council's 'Green Book' grading structure, with recommendations to the Committee for a new grading structure to take effect from 1st September 2019.
- 7.2 The proposals regarding year two of the national pay award would move all 'Green Book' employees onto the new pay spine on 1st April, having first

applied under the current pay spine any annual pay increments that are due on that date.

- 7.3 It was proposed that the current grading structure would remain in place from 1st April 2019 to 31st August 2019, at which point employees would transfer on 1st September 2019 to the appropriate pay points in the new grading structure.
- 7.4 The new grading would remove the lower increments of the current pay grades, which would have the effect of reducing the length of the grades and removing the 'overlaps' between them.
- 7.5 The Committee were reassured that the proposed changes have been subject to an equalities impact assessment and are consistent with the council's statutory obligations under the Equality Act 2010 and the Public Sector Equality Duty. No employee would lose out financially as a result of these changes.
- 7.6 These changes would put the Council in a better position to address current and future pressures to secure effective recruitment and retention in an increasingly tight and competitive labour market.
- 7.7 Members appreciated the Council's concerns regarding its ability to attract and retain critical staff in a number of professions in the current climate. It was recognised managers are increasingly needing to engage new staff above the minimum of the grade, in order to secure appointments, and often toward or on the maximum of the grade in order to attract external candidates of a suitable quality for certain key hard-to-fill posts. In areas where the labour market is particularly 'tight' there is often need to resort to further financial inducements to both recruit and retain key staff.
- 7.8 It was noted that consultations have taken place with the Council's recognised trade unions for Green Book employees (Unison, GMB and Unite), and the unions are supportive of the proposals.
- 7.9 The Committee were then requested to approve the making of a formal offer to the unions to enter a collective agreement to implement the new grading structure and make the corresponding changes to the contracts of employment of the relevant staff. Finalisation of the collective agreement with the unions would be subject to their consultation and/or a ballot of their members to obtain an appropriate mandate.
- 7.10 On a related matter, members requested that officers monitor the effect of contractual notice period requirements to ensure there is no adverse impact on recruitment and retention.
- 7.11 The Committee resolved to pass the recommendations as outlined in the report.

8. PAY POLICY STATEMENT 2019/20

- 8.1 Nick Lerry, Employer Relations Manager, gave a brief overview of the Pay Policy Statement annual review – noting particularly the following points:
- the addition to the list of posts remunerated at £100k+;
 - the intention to review the remuneration of level 1 and 2 apprentice appointments;
 - the proposal to permit accelerated increment within an employee's grade where this is considered necessary to address recruitment and retention issues (at para 17-20);
 - the flexibility to make an appointment in exceptional circumstances only, without an in-year change to the Pay Policy Statement, as set out in paragraphs 28-29; and
 - the revised paragraph regarding restrictions on the reengagement of ex-employees within two years of their leaving the council with a severance package: to clarify that this does not apply to those employees who have exercised their right to retire early at no cost to the council (generally with an actuarially reduced pension to off-set the costs of the early release of benefits)..
- 8.2 Some concerns were expressed about the proposal to delegate authority proposed to the Chief Executive under paragraphs 17-20 and 28-29.
- 8.3 With regard to paragraphs 17-20 members were reassured that appropriate approvals would be required to establish the necessary business case and that a facility to exercise discretion, where necessary to support recruitment and retention challenges, is an increasingly common (and necessary) employment practice within local government.
- 8.4 With regard to paragraphs 28-29 it was acknowledged that informal consultation with the group leaders on any such proposed course of action would always be encouraged. Further, it was emphasised that the potential need for use of these provisions would arise infrequently (if at all) and in genuinely exceptional circumstances.
- 8.5 Specifically on paragraphs 28-29, the Leader highlighted that the wording used does not accurately reflect the Leader's powers delegated under the Constitution. Members agreed the wording should be changed to:
- “Any such arrangement will be subject to express approval by the **Leader and** Chief Executive, **in consultation with the Leader.**”
- 8.6 Members also requested page 6 of the Draft Pay Policy Statement is revised to reflect amendments agreed on for agenda item 6 of this Committee meeting.

Minutes subject to their acceptance as a correct record at the next meeting

The Committee resolved to pass the recommendations, subject to the amendments requested.

ACTION: MANDY TINGLE/NICK LERRY

CHAIRPERSON

Meeting concluded at 11:05