



**MINUTES OF A MEETING OF THE EMPLOYMENT COMMITTEE
HELD AT THE TOWN HALL, PETERBOROUGH ON 3 FEBRUARY 2014**

Members Present: Councillors Lamb (Chairman), Holdich, Fitzgerald, Cereste, Sandford and Swift.

Officers Present: Gillian Beasley, Chief Executive
Mike Kealey, HR Advisor
Lyn Neely, Head of HR
Wendi Ogle-Welbourn, Director for Communities
Karen S Dunleavy, Governance Officer

1. Apologies for Absence

Apologies for absence were received from Councillor Walsh.

Councillor Cereste was in attendance as substitute.

2. Declarations of Interest

The Chief Executive declared a conflict of interest in item 5, Review of Senior Manager Pay Scale Following Consultation and for part of item 6, Senior Management Restructure – Determination of Pay. The Chief Executive advised the Committee, that where discussions were to be held regarding the Chief Executive's salary, she would leave the meeting.

3. Minutes of the Meeting Held on:

3.1 27 September 2013

The minutes of the meeting held on 27 September were agreed as a true and accurate record.

3.2 11 October 2013

The minutes of the meeting held on 11 October were agreed as a true and accurate record.

3.3 23 October 2013

The minutes of the meeting held on 23 October 2013 were agreed as a true and accurate record.

4. Exclusion of Press and Public

In accordance with Standing Orders, Members were asked to determine whether agenda item 6, Senior Management Restructure – Determination of Pay, which contained exempt information relating to contemplated consultations or negotiations in connection with a labour relations matter arising between the authority and employees or office holders of the authority, as defined by Paragraph 4 of Schedule 12A of Part 1 of the Local Government Act 1972, should be exempt and the press and public excluded from the meeting when this report was discussed or whether the public interest in disclosing this information outweighs the public interest in maintaining the exemption.

The Committee unanimously agreed to the exclusion of the press and public for agenda item 6.

The Committee also agreed that once negotiations regarding Senior Management Restructure – Determination of Pay had been finalised, the details would be published within the public domain.

At this point the Chief Executive left the meeting due to her declaration of conflict of interest.

5. Review of Senior Manager Pay Scale Following Consultation

The Human Resources (HR) Advisor introduced a report to the Committee on the outcome of the review of Senior Manager Pay Scale following consultations. Members of the Committee were also advised by the HR Advisor, that the purpose of the report was to provide an overview of the consultation process, feedback comments received from senior managers and the measures proposed as a result of the consultation process.

The Employment Committee was requested to reconsider the response to consultation with senior managers on the proposed Senior Manager Pay Scale and to reach a decision regarding:

- i) The implementation of the proposed Senior Manager Pay Scale;
- ii) The recommendation to develop a progression-related pay mechanism for senior managers;
- iii) The recommendation to award pay protection for senior managers;
- iv) The implementation of the proposed senior manager job evaluation appeal process;
- v) The implementation of the proposed guidance on assigning senior manager salaries; and
- vi) The assignment of new job titles for senior management posts.

Key points highlighted within the report included:

- The Hay methodology for senior management pay structure applied to approximately 35 Peterborough City Council employees;
- The proposed pay scale;
- The progression within pay bands;
- The process for implementation, timescale and appeal process;
- Pay protection comparative benchmark data;
- Impact of pay structure on lower pay bands;
- Responses to consultation;
- Communications;
- Performance related pay;
- Performance management culture, linked to the Performance Development Review (PDR) process; and
- Changes if agreed, to be implemented as soon as possible for the 35 senior management positions.

The Human Resources (HR) Advisor responded to comments and questions raised. In summary responses included:

- Discussions surrounding the review of Senior Manager Pay Scale had been held in exempt session when it was presented to Employment Committee on 11 October 2013;
- The not for profit sector reference within the review exercise was included due to the fact that public sectors workers would also be recruited from this area. The rationale had been about maintaining the market competitiveness in terms of recruitment and retention of experienced employees;
- Pay protection would be necessary for employees negatively affected due to the principles of maintaining motivation, fairness and valuation of the employee;
- The pay bands had been arrived at through market data and the Hay evaluation point range for the Director and Head of Service roles and inline with the consultation feedback, the proposed assignments of 'Chief Executive', 'Director 1 – 3' and 'Head of Service 1 – 3' were removed from the pay bands and replaced with a numerical system (i.e. pay band 1 – 7); and
- Changes within the Director and Heads of Services levels had been reached through evaluation of the new job descriptions following the recent senior manager restructure.

Councillor Sandford felt that the proposed Senior Manager Pay Scale, if agreed, could potentially create pay rises for some posts and that it was unclear how the Committee could be assured that there would be significant savings met following the recent senior management restructure.

Some Members commented that it was important not to confuse the proposed pay structure, which had reflected the new senior management restructure, with the current pay structure. In addition, Members also commented that there would be significant savings met due to the deletion of some posts, as a result of the recent senior management restructure.

The HR Advisor, advised Members that the Council was utilising a globally international recognised scheme, which had credibility within the public sector and that there had been a need to review the current pay structure due to the significant changing in shape of the organisation and job roles.

RESOLVED:

The Employment Committee following a vote agreed:

- i) The implementation of the proposed Senior Manager Pay Scale – carried (5 for, 1 against);
- ii) The recommendation to develop a progression-related pay mechanism for senior managers – carried (unanimously);
- iii) The recommendation to award pay protection for senior managers – carried (5 for, 1 against);
- iv) The implementation of the proposed senior manager job evaluation appeal process – carried (unanimously);
- v) The implementation of the proposed guidance on assigning senior manager salaries – carried (unanimously); and
- vi) The assignment of new job titles for senior management posts – carried (unanimously).

In line with the consultation feedback, it was also agreed that the pay band format would include:

PAY BAND	POINT RANGE (HAY)	MEDIAN + 10 %	50th PERCENTILE (MEDIAN)	MEDIAN -10 %
Pay Band 1	1801 - 2140	£187,000	£170,000	£153,000
Pay Band 2	1508 - 1800	£155,240	£141,127	£127,014
Pay Band 3	1261 - 1507	£126,880	£115,345	£103,811
Pay Band 4	1056 - 1260	£104,500	£95,000	£85,500
Pay Band 5	880 - 1055	£90,135	£81,941	£73,747
Pay Band 6	735 - 879	£77,237	£70,215	£63,194
Pay Band 7	614 - 734	£65,137	£59,215	£53,294

Reasons for the decision:

The changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent whilst ensuring that pay for senior managers was competitive, that the pay scales allowed flexibility when recruiting and retaining staff and that there had been an equitable and transparent process for determining senior management pay.

6. Senior Management Restructure - Determination of Pay

As agreed at agenda item 3, the meeting moved into exempt session.

Following the application of the relevant selection processes in accordance with Council policy, appointments were made to the posts of Executive Director Adult Social Care and Health and Wellbeing, Director for Communities, Director of Growth and Regeneration, Director of Governance and Head of Corporate Property and Children's Resources.

Consultation on the proposed pay scale had closed and Employment Committee had reached a decision regarding the implementation of the senior management pay scale (under agenda item number 5). The Employment Committee was requested to determine the salaries for those senior management posts, which were revised or newly created as part of the senior management restructure.

The Chief Executive returned to the meeting following the conclusion of discussions and agreements reached regarding the Committees determination of her salary.

RESOLVED:

The Employment Committee determined the salaries for those Tier 1 and Tier 2 posts based upon the pay scales agreed at item 5.

Reasons for the decision:

These proposed changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent.

The below minutes were approved for publication in the public domain by Employment Committee at its meeting held on 20 November 2014

The Advisor to HR introduced a report to Committee outlining the relevant selection processes in accordance with Council policy, and the appointments made to the posts of Executive Director Adult Social Care and Health and Wellbeing, Director for Communities, Director of Growth and Regeneration, Director of Governance and Head of Corporate Property and Children's Resources. Members were also advised by the Advisor to HR that following the consultation on the proposed pay scale and Employment Committee's decision regarding the implementation of the senior management pay scale (under agenda item number 5), that the Employment Committee was requested to determine the salaries for those senior management posts, which were revised and newly created as part of the senior management restructure.

Chief Executive's

A motion was put forward and seconded to set the Chief Executive's pay award as pay band 1, Hay point score 2128, and set the salary of £170,175. The motion was carried unanimously.

RESOLVED:

The Employment Committee determined the salaries for those Tier 1 and Tier 2 posts and approved:

To set the Chief Executive's pay award as pay band 1, Hay point score 2128, and set the salary of £170,175 - unanimous.

Reasons for the decision:

These proposed changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent.

The Chief Executive returned to the meeting following the conclusion of discussions and agreements reached regarding her salary.

Executive Director of Resources

The Advisor of HR addressed the Committee and highlighted the following points:

- The Executive Director of Resources (EDoR) had been evaluated at a Hay pay score 1560;
- The pay range was minimum of 127,000 and a maximum of £155,000;
- The median points was based at 141,127;
- Members were asked to consider what pay point the EDoR should be set at; and
- Members were also asked to consider awarding back pay for the current post holder of the EDoR position.

The Advisor of HR and the Chief Executive responded to the comments and questions raised by Members.

- The same approach had been applied for all senior officers pay by setting the median pay point, however it was advisable to review each on an individual basis;
- The current salary for the Executive Director of Resources was £121,192;
- Councillor Sandford felt that the approach of senior officers pay and Members Allowances pay should be treated the same due to the current economic climate;
- Applying the same principles to Members Allowances to that of senior officers pay could run the risk of losing highly skilled officers to other authorities, as there was a market rate for certain positions;
- Councillor Sandford felt that it was not acceptable to award a pay rise for 15 – 20%.
- Some Members felt that the jobs being evaluated had changed with the post holding additional responsibilities; and
- that this Authority needed to pay what senior officers could earn elsewhere and that there was no comparative between Councillors and officers pay;
- Some Members commented that the Chief Executive's restructure had saved the Authority a substantial amount of money;
- Most Members were minded to approve the recommendation;
- The total value for a finance director for a small to medium sized enterprise would attract a higher salary; and
- In the interest of transparency, Councillor Sandford requested that the report currently being considered should be published before the medium term finance strategy; but he was advised that the pay offer would be published in the public domain once the EDoR had agreed to the Committee's decision.

A motion was put forward and seconded to approve the salary award of £141,127 for the Executive Director of Resources post. Following a vote, the motion was carried five in favour and one against.

It was also agreed that the pay offer would be published within the public domain, once the EDoR had accepted the Committee's decision.

RESOLVED:

The Employment Committee determined the salaries for those Tier 1 and Tier 2 posts and approved:

- i) The EDoR salary at £141,127 – carried (5 in favour and 1 against); and

- ii) That the EDoR pay offer to be published within the public domain, once the EDoR had accepted the Committees decision.

Reasons for the decision:

These proposed changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent.

Executive Director of Resources Back Pay

The Advisor of HR addressed the Committee and highlighted the following points:

- The EDoR joining salary was set at the old Director 1 rate, and had subsequently moved from £110,000 to £120,192, at the top of pay scale 25 in 2006, which he currently received to date;
- The EDoR role had changed in 2008 following a senior management review;
- The Hay pay band for the EDoR was 1261 to 1507 and the role currently undertaken had been evaluated at 1560 points, which was why the extra scale had been introduced;
- The Committee was asked to consider whether the level of back pay should be reflected back to April 2011;
- The role had been evaluated by two Hay consultants;
- The current EDoR had refrained in raising the matter of his pay formally, due to the current austerity measures and the senior manager pay freeze;
- Given the recent restructure it was deemed necessary to address the issues previously raised by the EDoR;
- The Committee was also asked to consider a tax neutralisation position for the level of pack bay;
- All of the salary reviews recently undertaken would be effective from November 2013 in line with the recent restructure; and
- The EDoR was entitled to appeal the Committee's decision.

The Advisor of HR and the Chief Executive responded to the comments and questions raised by Members. In summary the responses included:

- The EDoR back pay, if approved for the period of 22 months could reach circa £36,000;
- It was expected that the additional duties taken on by the EDoR in 2008, such as energy from waste would have been part of that job description;
- If an employee had been appointed to an increased role, the expectation would be that they would not earn the full median rate immediately and would build up within the pay grade levels respectively;
- It was felt that the back pay should not predate 2011; and
- If the back pay was awarded immediately, it would take the amount over the 45% tax threshold.

Members debated the options regarding back pay and how this should be applied. Following debate, a motion was put forward to set the back pay to backdate a pay award of £31,563.75 for the period from 1 April 2011 to 31 October 2013. The payment was calculated as follows:

- An award of 50% of the difference between the post-holder's appointed salary (£141,127) and his previous salary (£121,192) for the period 1 April 2011 – 31 March 2012. This equated to a payment of £9,967.50;
- An award of 50% of the difference between the post-holder's appointed salary (£141,127) and his previous salary (£121,192) for the period 1 April 2012 – 31 March 2013. This equated to a payment of £9,967.50; and
- A pro rata award of the difference between the post-holder's appointed salary (£141,127) and his previous salary (£121,192) for the period 1 April 2013 – 31 October 2013. This equated to a payment of £11,628.75.

The Employment Committee also agreed that the post holder would be responsible for meeting any liability arising from this payment in respect of taxes and no additional payment would be made to offset this.

Following a vote the motion was carried by four in favour, one against and one no vote.

RESOLVED:

The Employment Committee determined the salaries for those Tier 1 and Tier 2 posts and approved:

- i) The EDoR back pay to backdate a pay award of £31,563.75 for the period from 1 April 2011 to 31 October 2013 - carried (4 in favour, 1 against and 1 no vote).

Reasons for the decision:

These proposed changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent.

At this point the Committee adjourned for a five minute comfort break.

Executive Director Children's Services

The post of Executive Director Children's Services had been allocated a point score of 1418 points.

This placed the post within pay band 3 of the newly proposed pay scale, with a point range of 1261 - 1507 points and a band width of £103,811 - £126,880.

The median point on pay band 3 was £115,345.

The Chief Executive addressed the Committee and highlighted the following points:

- The Executive Director Children's Services was currently awarded £125,000. The pay range for the post was proposed at £104,000 to £127,000, with the median value at £115,000;
- A market test was conducted and had shown that the role was valued at above the proposed scale of 50th median value; and
- Members were asked to consider whether the salary should be set at £115,000 with a market supplement which would top the salary up to £125,000.

A motion was put forward and seconded to approve officer's recommendation and to set the salary at £125,000. The motion was carried unanimously.

RESOLVED:

The Employment Committee determined the salaries for those Tier 1 and Tier 2 posts and approved:

- i) The Executive Director Children's Services salary at £125,000 - carried unanimously.

Reasons for the decision:

These proposed changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent.

Executive Director Adult Social Care and Health and Wellbeing

The post of Executive Director Adult Social Care and Health and Wellbeing had been allocated a point score of 1418 points.

This placed the post within pay band 3 of the newly proposed pay scale, with a point range of 1261 - 1507 points and a band width of £103,811 - £126,880.

The median point on pay band 3 was £115,345.

The post was currently paid at £110,235k and the market data on this role was out of line with the salary band that was being proposing. However, other authorities such as Bedford were paying £133,000, central Bedfordshire £143,000, Luton £127,000 for similar types of role.

The Advisor for HR advised Members that if other authorities were paying the 75th percentile, whilst Peterborough was paying the 50th percentile there may be difficulty in retaining the skill level required for the post and that Members may wish to consider including a value of market supplement.

The Advisor for HR and Chief Executive responded to comments and questions raised by Members. In summary responses included:

- Every job had been valued at the 50th percentile, however a market supplement had been suggested in order to retain the quality and align with the salary that other authorities were paying;
- A part time director of public health, would balance of the need for a full time director of public health;
- There was a high target on savings for senior management roles;
- Councillor Sandford felt that most posts were being set at 50th median percentile, however some posts were set to receive an additional market supplement. There was a concern that those that the bottom end of the scale could lose out;
- Officers were reluctant in recommending the 75th percentile as this would fix the amount the authority would pay, which may not be appropriate year on year according to the market value. Adopting the 50th median percentile meant that where appropriate a market value could be considered and applied if necessary to retain the right skill level required; and
- Going forward it was proposed that the Employment Committee would receive a report on current market values to consider reductions to market value supplements as appropriate.

A motion was put forward and seconded to approve officer recommendations to set the salary at £115,345 and in addition apply a market supplement of £20,000 in order for the salary to total £135,345. The motion was carried five in favour and one against.

RESOLVED:

The Employment Committee determined the salaries for those Tier 1 and Tier 2 posts and approved:

- i) The Executive Director Adult Social Care and Health and Wellbeing salary at £115,345 with a market supplement of £20,000 in order for the salary to total £135,345 – carried (5 in favour and 1 against).

Reasons for the decision:

These proposed changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent.

Director for Communities

The post of Director for Communities had been allocated a point score of 1418 points.

This placed the post within pay band 3 of the newly proposed pay scale, with a point range of 1261 to 1507 points and a band width of £103,811 - £126,880.

The median point on Pay Band 3 was £115,345.

A motion was put forward and seconded to approve officer recommendation to set the salary at £115,345. The motion was agreed unanimously.

RESOLVED:

The Employment Committee determined the salaries for those Tier 1 and Tier 2 posts and approved:

- i) Director for Communities salary at £115,345 – carried unanimously.

Reasons for the decision:

These proposed changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent.

Director of Growth and Regeneration

The post of Director of Growth and Regeneration had been allocated a point score of 1312 points.

This placed the post within pay band 3 of the newly proposed pay scale, with a point range of 1261 - 1507 points and a band width of £103,811 - £126,880.

The median point on pay band 3 was £115,345.

The Market data for this post would be brought forward for Employment Committee to consider when determining salary.

The Advisor of HR advised the Committee that the role undertaken required a £5,000 market supplement.

A motion was put forward and seconded to approve officer recommendations to set the salary at £115,345 with a £5,000 market supplement in order for the salary to total £120,345. Following a vote the motion was carried five in favour and one against.

RESOLVED:

The Employment Committee determined the salaries for those Tier 1 and Tier 2 posts and approved:

- i) Director of Growth and Regeneration salary at £115,345 with a £5,000 market supplement in order for the salary to total £120,345 – carried (5 in favour and 1 against).

Reasons for the decision:

These proposed changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent.

Director of Governance

The post of Director of Governance had been allocated a point score of 1056 points.

This placed the post within pay band 4 on the newly proposed pay scale, with a point range of 1056 - 1260 points and a band width of £85,500 - £104,500.

The median point on Pay Band 4 was £95,000.

The Chief Executive addressed the Committee and highlighted key points which included:

- The Director of Governance's previous post was Head of Legal and was a three tier post;
- The Director of Governance role would include the responsibility of other services such as Human Resources and Health and Safety.

A motion was put forward and seconded to approve officer recommendations and set the salary at £95,000. The motion was agreed unanimously.

RESOLVED:

The Employment Committee determined the salaries for those Tier 1 and Tier 2 posts and approved:

- i) Director of Governance salary at £95,000 – carried (unanimously).

Reasons for the decision:

These proposed changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent.

Head of Corporate Property and Children's Resources

The Advisor of HR addressed the Committee and advised Members that the job description for the Head of Corporate Property and Children's Resources was currently being reviewed and re-evaluated. The Employment Committee was requested to consider salary setting for this post to be delegated to the Chief Executive.

A motion was put forward and seconded to approve officer recommendation to delegate the salary setting responsibility to the Chief Executive, for the Head of Corporate Property and Children's Resources. Following a vote the motion was carried four in favour, one against and one no vote.

RESOLVED:

The Employment Committee determined the salaries for those Tier 1 and Tier 2 posts and approved:

- i) To delegate the salary setting responsibility for the Head of Corporate Property and Children's Resources to the Chief Executive – carried (4 in favour, 1 against and 1 no vote).

Reasons for the decision:

These proposed changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent.

The meeting moved back into public session.

The Committee took a five minute break.

7. Proposals to Change the Communities Directorate Management Structure

The Director of Communities introduced a report in respect of proposals for a new senior management structure in the Communities Directorate. The report also informed the Committee of the action the Chief Executive, as recommended by the Director for Communities, intended to take as a result of that consultation.

The Employment Committee was asked to:

- i) Consider the changes to the Communities Directorate senior management structure proposed by the Chief Executive/ Director of Communities; and
- ii) Recommend any appropriate actions in response to the proposals prior to implementation by the Chief Executive under her delegated powers.

Key points highlighted within the report included:

- Bringing together the management activity that previously took place in four Council departments to manage all commissioning activity, community and targeted services;
- Bringing together a single view of all the people commissioning activities and community and targeted services to allow the Council to provide services which reflected how people really live;

- Achieve savings through improved economies of scale and the aggregation of functions;
- Achieve a saving of approximately £200k by reducing the number of senior manager posts;
- Response to the consultation; and
- Implications for managers.

RESOLVED:

The Committee agreed to the changes to the Communities Directorate senior management structure proposed by the Chief Executive and Director of Communities.

Reasons for the decision:

The restructure changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent.

8. Changes to Employee Policies and Procedures - Probation Policy and Social Media Policy

The Employment Committee received a report on the changes to employee policies and procedures, namely the Probation Policy and Social Media Policy. The report was submitted to the Employment Committee following a referral from the Joint Consultative Forum held on 11 July 2013 and 12 December 2013.

The Employment Committee was requested to consider and agree to implement the following employment policies and procedures:

- i) Revision to the Probation Policy; and
- ii) Revision to the Social Media Policy.

RESOLVED:

The Committee agreed to the implementation of the following employment policies and procedures.

Reasons for the decision:

These proposed changes were to ensure the Council operated within frameworks that were lawful, best practice, transparent and consistent.

9. Appointment to the Local Government Employers Panel

The Employment Committee received a report outlining a recommendation to accept the Local Government Employers Panel appointment opportunity for the Local Government Employer's Panel (LGEP) that was managed by the East of England Local Government Association (EELGA).

The Employment Committee was requested to consider and agree:

- i) To accept the appointment opportunity to the Local Government Employers Panel;
- ii) Agree to place the appointment in the Strategic and Executive – Regional category on the appointments list; and
- iii) Appoint Councillor Walsh, Committee Member and Cabinet Member for Community Cohesion, Safety and Public Health, to the Panel.

RESOLVED:

The Employment Committee agreed to accept the appointment opportunity, agreed to its categorisation as a Strategic and Executive appointment and agreed to the appointment of Councillor Walsh to the Panel.

Reasons for the decision:

The appointment was in accordance with paragraph 2.3.1.5 of Part 3 Section 2 of the Council's Constitution, the Employment Committee was required to determine whether or not to accept any new appointment opportunities and to determine which category they should be placed.

In addition participation on the Panel would contribute to the Council's strategic functions and priorities and assist the Council in fulfilling its executive responsibilities as an employer. The appointment would further ensure that the City Council was represented at a regional level and was able to have its voice heard on matters relating to employment and skills issues.

The relevant member to represent the Council was the Member of the Committee who was also a Cabinet Member (it is a legal requirement that the Employment Committee must contain at least one Member of the Cabinet). Appointment of the Member of the Committee who was also the relevant Cabinet Member would allow for a fuller representation of the views of the Council across the portfolio and also to report back on strategic issues to relevant bodies.

Chairman
3:00pm – 5.32 pm