

**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 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

This page is intentionally left blank