

<b>COUNCIL</b>	AGENDA ITEM No. 13(d)
<b>8 OCTOBER 2014</b>	<b>PUBLIC REPORT</b>

**APPROVAL OF THE REMUNERATION FOR THE POST OF DIRECTOR OF PUBLIC HEALTH**

<b>RECOMMENDATIONS</b>
FROM: Employment Committee
<b>Council is recommended to approve the salary package for the post of the Director of Public Health.</b>

**1. ORIGIN OF REPORT**

- 1.1 The Council's Employment Committee met on 3 September 2014 to consider the appointment of, and terms and conditions for a Director of Public Health. This process to be carried out jointly with Public Health England acting on behalf of the Secretary of State.
- 1.2 The Director of Public Health is a statutory chief officer of the Council and is a requirement introduced by the Health and Social Care Act 2012. Reference to the post in this report is to a medically qualified person with medical/clinical responsibilities.
- 1.3 This report follows the format of the papers submitted by the Executive Director Adult Social Care Health and Wellbeing to the Employment Committee on 3 September 2014.

**2. PURPOSE AND REASON FOR THE REPORT**

- 2.1 This report is for Council to consider under the Council's Pay Policy Statement for 2014/15 paragraph 5.5 as outlined in **Appendix 1**. Paragraph 5.5 outlines the responsibility of Council for approving salary packages of £100,000 in relation to a Chief Officer appointment.
- 2.2 Section 40 of the Localism Act 2011 ('Openness and Accountability in Local Pay: Guidance) requires that full Council should be given the opportunity to vote before large salary packages are offered in respect of a Chief Officer appointment. The Guidance states that the Secretary of State considers that £100,000 is the right level for that threshold, which the Council has followed in adopting its Pay Policy. For these purposes the salary package is deemed to include salary, any bonuses, fees or allowances routinely payable to the appointee, and any benefits in kind to which the officer is entitled as a result of their employment.

### 3. BACKGROUND

- 3.1 The Director of Public Health, as stated above, is a statutory role and currently reports to the Executive Director Adult Social Care, Health & Wellbeing. The post carries health protection responsibilities in the city for all of our citizens, including communicable disease outbreaks, infection control, immunisation and screening.
- 3.2 A recruitment process concluded on 3<sup>rd</sup> September with the Employment Committee making an appointment to this post as it is a chief officer role. In doing so, Employment Committee further considered a salary package for the successful candidate. The salary package for the role, as considered by Employment Committee, exceeds £100,000 and so Employment committee are required under the Councils pay policy to refer that package to Council for approval. The following paragraphs set out their rationale for recommending the salary package.

### 4. THE SALARY PACKAGE

- 4.1 Local Authorities across the country are experiencing significant difficulties in recruiting to senior public health roles and Peterborough is no exception. The reason for this appears to be two-fold. Firstly, there is only a small pool of prospective candidates for these roles so local authorities are competing with each other for these candidates. Secondly, NHS terms and conditions are more favourable than those in local government which relate to pay, sick pay, annual leave and the NHS pension.
- 4.2 The Local Government Association (LGA) is aware of these difficulties and has issued guidance to local authorities on how to address these issues. The guidance suggests local authorities recruit to these roles on NHS terms and conditions, because the prospective candidates will already be employed on NHS terms and conditions, and will be reluctant to move to Council terms and conditions.
- 4.3 The Employment Committee agreed to adopt the LGA guidance, which follows the route taken by many other Councils in the recent past to ensure that the Council can recruit to this critical post. The Employment Committee resolved to adopt NHS terms and conditions for the Director of Public Health post.
- 4.4 The LGA advice on pay is different to that on terms and conditions. The advice is that the posts should be graded in accordance with the councils pay policy to avoid potential equal pay claims from other employees of the Council
- 4.5 As a result of the above the Director of Public Health post was evaluated under the Councils HAY pay scheme for senior managers produced the following result

Post Title	Hay Point Score	Pay Band	Median +10%	50 <sup>th</sup> Percentile (Median)	Median -10%
Director of Public Health	954	Pay Band 5	£90,135	£81,941	£73,747

- 4.6 The usual practice of Employment Committee is to decide where to position the salary for this role which in this case would be between £73,747 and £90,135. The Executive Director for Adult Social Care, Health & Wellbeing, however, took advice as to the competitiveness of the pay in this pay band in the current market. The Director reported to the Committee that she had been advised that there are two factors in the 'market' which have a bearing on the salary for this post. Firstly, there is the NHS 'market' and the pay offered to equivalent Directors in the NHS and secondly, the 'market' in the local authorities who have been recruiting to these posts and the salaries those authorities have been setting. The evidence produced from examining these two markets is that the pay scale in Band 5 is, in some cases, considerably below what the market is paying.
- 4.7 In these circumstances the LGA advises Councils to consider paying a market supplement to address this discrepancy. Evidence of the two 'markets' are set out in **Appendix 2** which show the recent pay awards from other local authorities for this role as well as the equivalent pay range that candidates will be paid in the NHS. The table in **Appendix 2** makes reference to Clinical Excellence Award Payments in relation to one of the candidates for interview. These awards recognize and reward NHS Consultants and academic GPs who perform 'over and above' the standard expected of their role, and who have professional credibility and are established in their field. Non-medical Public Health Specialists are not eligible for these awards.
- 4.8 Employment Committee considered the evidence presented to them and agreed to award a salary based on the pay band awarded together with a market supplement. The Total salary agreed to be recommended to Council for this post is £117,988, a breakdown of the salary is outlined in **Appendix 3** attached to this report.

## 5. BACKGROUND DOCUMENTS

- 5.1 Used to prepare the report, in accordance with the Local Government (Access to Information) Act 1985.
- 5.2 Employment Committee Report dated 3 September 2014 (exempt report)
- 5.3 Council's Pay Policy Statement 2014/15.
- 5.4 NHS Terms and Conditions – "Director Terms and Conditions pre-2003". "Director Terms and Conditions 2003". Pay circular ( M & D) 2/2014 – This Pay and Conditions circular informs employers of pay arrangements for staff covered by the national Medical and Dental terms and Conditions of service which apply between April 2014 and 31 March 2015.
- 5.5 Openness and Accountability in Local Pay: Supplementary Guidance – salaries on appointment,

## 6. IMPLICATIONS

### 6.1 Finance

- 6.1.1 The cost of this post can be met within existing budget.

## **6.2 Legal**

- 6.2.1 Section 73A of the National Health Service Act 2006 (as amended) requires that the local authority must, acting jointly with the Secretary of State, appoint an individual with certain functions to be an officer of the local authority and that individual is to be known as its director of public health.
- 6.2.2. The Local Government and Housing Act 1989 is similarly amended by the Health and Social Care Act 2012 to make the post a statutory chief officer of the local authority and to make it a politically restricted post.
- 6.2.3 Employment Committee have approved the appointment to the role of Director of Public Health, subject to Council approval of the recommended salary package.

## **6.5 Equalities implications**

- 6.6 The Council's Pay Policy is consistent with its obligations as an employer to comply with equality duties. It ensures that all employees are rewarded fairly and objectively, without discrimination, for the work that they undertake on behalf of the Council, and provides an objective mechanism to review pay dispersal throughout the Council.
- 6.7 The revised pay scale that has been adopted by the Council following consultation with Senior Managers at Peterborough City Council provides the Council with a framework for allocating pay equitably and transparently and minimising the risk of equal pay claims.
- 6.8 There are no implications in relation to the following:
- Environmental
  - Human Rights
  - Crime and Disorder/Community Safety
  - Human Resources
  - IVT
  - Property
  - Procurement
  - Or LAA target