



GUILDFORD
BOROUGH

Satish Mistry
Director of Corporate Services

www.guildford.gov.uk

Contact Officer:

Ola Dejo-Ojomo, Committee Manager
Tel: 01483 444106

1 September 2015

Dear Councillor

Your attendance is requested at a meeting of the **EMPLOYMENT COMMITTEE** to be held in the Leadership Suite, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **WEDNESDAY, 9 SEPTEMBER 2015** at 11.30 am.

Yours faithfully

Satish Mistry
Director of Corporate Services

MEMBERS OF THE COMMITTEE

Councillor Stephen Mansbridge
Councillor Nigel Manning
Councillor Caroline Reeves

Authorised Substitute Members:

Councillor Richard Billington
Councillor Graham Ellwood
Councillor Murray Grubb Jnr

Councillor Tony Phillips
Councillor Pauline Searle
Councillor Paul Spooner

QUORUM 3



INVESTOR IN PEOPLE



Guildford Borough Council

Millmead House, Millmead, Guildford, Surrey GU2 4BB

THE COUNCIL'S STRATEGIC FRAMEWORK

Vision – for the borough

For Guildford to be a town and borough:

- with strong infrastructure
- world-class businesses with capacity to expand and deliver growth
- an evolving and vibrant economy which creates a progressive and sustainable environment
- for people today and future generations living in an ever improving society.

Five fundamental themes that support the achievement of our vision

- **Infrastructure** – working effectively with partners to drive development and business growth that will expand our economy
- **Economy** – to grow a sustainable economy that will support all aspects of life in our borough.
- **Development** – to ensure that there is appropriate infrastructure, commercial space and a range of homes, built sensitively, without damaging our heritage or countryside.
- **Sustainability** – to ensure the services we provide and the borough develops and grows, in the most sustainable way.
- **Society** – to evolve a self-reliant and sustaining community, while supporting our most vulnerable residents.

Values for our residents

- We will strive to be the best Council.
- We will deliver quality and value for money services.
- We will help the vulnerable members of our community.
- We will be open and accountable.
- We will deliver improvements and enable change across the borough.

Mission – for the Council

A forward looking, efficiently run Council, working in partnership with others and providing first class services that give the community value for money, now and in the future.

Developing our Council

- To be a well led, collaborative organisation that has customer care and top quality at its heart.
- To have highly trained and proficient staff and councillors who challenge and learn

AGENDA

ITEM

1. **APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES**
2. **LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTERESTS**

In accordance with the revised local Code of Conduct, a councillor is required to disclose at the meeting any disclosable pecuniary interest (DPI) that they may have in respect of any matter for consideration on this agenda. Any councillor with a DPI must not participate in any discussion or vote regarding that matter and they must also withdraw from the meeting immediately before consideration of the matter.

If that DPI has not been registered, the councillor must notify the Monitoring Officer of the details of the DPI within 28 days of the date of the meeting.

3. **MINUTES** (Pages 1 - 10)

To confirm the minutes of the meeting of the Employment Committee held on 10 February 2015, 10 April 2015 and 24 July 2015.

4. **DEPUTY MANAGING DIRECTOR**

To consider applications for the post of Deputy Managing Director.

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EMPLOYMENT COMMITTEE

- * Councillor Stephen Mansbridge (Chairman)
- * Councillor James Palmer (Vice-Chairman)
- * Councillor Caroline Reeves

*Present

EM1 APOLOGIES FOR ABSENCE AND NOTIFICATIONS OF SUBSTITUTES

There were no apologies.

EM2 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTERESTS

None.

EM3 MARKET RATE SUPPLEMENT POLICY

The Committee considered adopting a Market Rate Supplement Policy which would support the Council’s Pay Policy. The Council had never adopted such a policy or procedure for managing the payment of market rate supplements before, and so, where it had proved difficult to recruit or retain employees in certain posts due to the impact of the external market, such payments have been made on an ad-hoc basis.

The adoption of this policy would enable the Council’s Corporate Management Team to apply appropriate supplements where required in order to fill posts where skills were scarce in the market and therefore commanding a higher salary. The proposed salary would enable officers to address issues of taking on high salaries for longer than necessary with flexibility, based on proper business cases with a regular review process.

Market rate supplements would only be used in exceptional circumstances. The policy detailed procedure that ensured sufficient evidence was provided to demonstrate why a market rate supplement would be appropriate; other measures would be considered first.

Having considered the policy, the Committee RESOLVED to approve the adoption of the Market Rate Supplement Policy attached as Appendix 1 of the report.

The meeting finished at 9.50 am

Signed

Chairman

Date

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EMPLOYMENT COMMITTEE

- * Councillor Stephen Mansbridge (Chairman)
- Councillor James Palmer
- * Councillor Caroline Reeves

*Present

Councillor Nigel Manning was also in attendance.

EM4 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE

An apology for absence was submitted on behalf of Councillor James Palmer. Councillor Nigel Manning attended as substitute for Councillor Palmer.

EM5 MINUTES

The minutes of the last meeting of the Employment Committee held on 10 February 2015 were confirmed and signed.

EM6 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTERESTS

There were no disclosures of interest.

EM7 EXCLUSION OF THE PUBLIC AND PRESS

The Committee

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 1 and 4 of Part 1 of Schedule 12A to the 1972 Act.

EM8 APPOINTMENT OF EXECUTIVE HEAD OF GOVERNANCE (Paragraphs 1 and 4)

The Committee considered the Managing Director's report on the recruitment and selection arrangements undertaken in respect of the appointment of the Executive Head of Governance.

The Managing Director explained the important role played by the Executive Head of Governance/Monitoring Officer and that the Council's future, particularly in the next two years, was likely to be very challenging.

The Committee considered a number of the key issues that were relevant in the context of this appointment, which included:

- New political administration following the Borough Elections, with 16 councillors not seeking re-election
- The need to progress and adopt a Local Plan
- Progressing regeneration schemes
- Focus on commercialisation and alternative legal structures

The Managing Director set out the process that had been undertaken to recruit an Executive Head of Governance and reminded the Committee of the temporary senior management structure the Council had approved in October 2013. She confirmed that she would be bringing a report to Council in early summer, which would set out the results of a review which had been undertaken by two external consultants. Early indications were that the review would ask the Council to confirm the current structure. The review would highlight the need to revisit the senior management structure within two years, by which time universal credit would have been introduced. The impact of this significant change would need to be considered alongside the progress the Council had made on the Corporate Plan, to establish whether the current structure was both fit for purpose and affordable.

The Committee considered the first of two options – Option A involved the Managing Director and HR and Business Improvement Manager reporting the results of the long list process, and considering the skills match of the preferred candidate compared to the person specification. The Committee noted that the preferred candidate was the Monitoring Officer at his current authority but that this had been a recent appointment (2015), although he did have earlier experience as Monitoring Officer at another council between 1998 and 2004. The Committee also noted that the preferred candidate did not have returning officer experience and this was a desirable qualification. The Committee was, however, impressed with his track record of managing the legal service, particularly the joint service delivery model.

After careful consideration, the Committee

RESOLVED: That the preferred candidate referred to in the report submitted to the Committee be not short-listed in respect of the appointment of Executive Head of Governance.

The Committee therefore went on to consider Option B.

The Managing Director reminded the panel that Satish Mistry had been with the Council in an interim capacity since 2012, and had served the Council well. His previous experience as a Director of a London Borough and his earning capacity meant that he would not consider accepting the post on the scale offered, but he would consider accepting the post if a market supplement was payable. The Managing Director reminded the panel that the Employment Committee had approved a market rate supplement policy at its meeting held on 10 February 2015. The Managing Director went on to suggest that, given the need to review the senior management structure in two years, it might be appropriate for the Committee to consider the appointment of Satish Mistry on a contract for approximately two years.

The Committee was advised that if the Council were to appoint Satish Mistry as Executive Head of Governance on this basis, and include a 4% premium for the fixed term element of the contract, the total annual remuneration payable to Mr Mistry would be £109,246, excluding oncosts. Under the terms of the Council's adopted Pay Policy Statement, any proposal to offer a new senior appointment on terms and conditions which include a total remuneration package of £100,000 or more (including salary, fees, allowances and any benefits in kind to which the officer would be entitled as a result of their employment, but excluding employer's pension contributions), must be referred to the Council for approval, before any offer is made.

After careful consideration, the Committee

RECOMMEND:

That the Council, at its meeting on 14 April 2015, be requested to approve the offer of a contract to Satish Mistry for appointment as Executive Head of Governance for a fixed period of two years ending on 30 June 2017, with a market supplement of 10% and an additional sum of 4% to recognise that the post is only a fixed term contract.

Reasons for Recommendation:

- Given the benefit that Satish Mistry presented in terms of offering continuity and his ability to cope with the challenges which were likely to present themselves, it was felt appropriate to offer him the contract, which would take the Council past the County Council elections in 2017.
- The two year contract would enable the Council to review the market supplement attached to the post.
- To comply with the Council's Pay Policy Statement

The meeting finished at 10.00 am

Signed

Chairman

Date

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EMPLOYMENT COMMITTEE

- * Councillor Stephen Mansbridge (Chairman)
- * Councillor Nigel Manning (Vice-Chairman)
- Councillor Caroline Reeves

*Present

Councillor Pauline Searle was also in attendance.

EM4 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE

An apology for absence was submitted on behalf of Councillor Caroline Reeves. Councillor Pauline Searle attended as substitute for Councillor Reeves.

EM5 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTERESTS

There were no disclosures of interest.

EM6 EXCLUSION OF PRESS AND PUBLIC

The Committee

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 1 and 4 of Part 1 of Schedule 12A to the 1972 Act.

EM7 CORPORATE MANAGEMENT TEAM RESTRUCTURE

The Committee considered the Managing Director's report on the proposed restructuring of the Council's Corporate Management Team (CMT) in order to ensure that the Council was well placed to deliver on its current priorities to the community, but also to meet future challenges.

The Committee was reminded that, on 10 October 2013, the Council had agreed the current senior management structure, comprising a Managing Director and six Executive Heads of Service (EHoS). These arrangements had been established on an interim basis for a period of two years. The Council agreed that a review should take place by November 2015 to test how the structure was working and to consider what, if any, changes would need to be made.

The Managing Director had reviewed the structure in consultation with Executive councillors and group leaders (prior to the May elections) along with EHoS and Heads of Service.

It was clear from feedback from both councillors and officers that the current structure was much better than that which had been in place previously. The general opinion was that CMT, as a team, had worked well and some constructive challenge was in place. Councillors had also felt more engaged and that the strong Leader model was working well. There was however, a desire to confirm a more permanent structure and, once this had happened, to embed changes to the structure below, at third tier management.

The conclusion drawn from all feedback was that, to ensure effective delivery of the Council's Corporate Plan and strategic priorities, some rebalancing of responsibilities was required. There was cause for concern of the greater demands placed on the outward facing services, particularly in the area of 'Development', with town centre regeneration and the Local Plan being major objectives for the Council to achieve. In the current CMT structure, there was also a difference in the span of responsibility and influence of the respective Executive Heads of Service, which needed to be re-balanced.

The Committee noted the various drivers for change listed in the report which had been considered in developing a new structure.

The report included details of the formal consultations that had taken place with those officers directly affected by the proposal and Unison.

The Managing Director had considered all responses received, which had led to some changes to the initial proposals.

A chart outlining the proposed changes to the CMT structure was appended to the report. The new structure proposes fewer members on CMT, a consequence of which would be a realignment of responsibilities across senior management posts and a reduction of one post at EHoS level.

The changes proposed would rationalise designation of chief officer posts through five Directorates, with EHoS job titles changing to Director. The restructure would provide three public facing directorates supported by two predominately internal facing as follows:

- Environment Directorate
- Community Directorate
- Development Directorate
- Resources Directorate (Financial services and Business Systems)
- Corporate Directorate (HR, Legal and Corporate services)

Having considered the substantive posts, span of control and responsibilities of the three existing internally focussed Executive Heads of Service, the Managing Director had proposed to delete the Executive Head of Organisational Development (EHoOD) post based on the potential for realignment of the services and functions currently within his remit. Consequently, the substantive post of Head of Corporate Development would also be deleted from the establishment. This would make the current post holder, Martyn Brake at risk of redundancy. The costs associated with this change were set out in the report but did not include all elements of the costs.

The Committee acknowledged that Mr Brake had done a good job in his current role as EHoOD, as well as supporting on governance and transformation related matters.

The report had also set out a number of consequential changes to services and functions currently reporting to the EHoOD, which would be apportioned across the other Directorates following the deletion of this post.

The Managing Director had also proposed a number of reviews, particularly around the transformation agenda, to ensure that Council continues its journey towards exemplar status, details of which were set out in the report.

In forming the restructure proposals, the Managing Director had reviewed the impact on the other Executive Heads taking on additional services or functions and their span of control. She considered that the changes were not significant enough for the Directors to be classified as

new posts. On that basis, she had proposed to re-designate the following posts and current post holders in to the five new chief officer roles as follows:

Current role:	Assimilated to:
Executive Head of Environment	Director of Environment
Executive Head of Housing and Health	Director of Community Services
Executive Head of Development	Director of Development
Executive Head of Financial Services	Director of Resources
Executive Head of Governance	Director of Corporate Services

In order to provide stability, it was proposed that the Director posts (except the Director of Corporate Services who was on a new fixed term contract) be made permanent. The offer of a permanent contract would not materially disadvantage the Council, but would provide recognition to each EHoS for their valued performance to date. This move would also facilitate the restructure at the third tier and ensure that deputy chief officers could be clearly identified.

The current generic job description for EHoS would be reviewed to ensure that the change to Director, the broader leadership changes and aspirations from the new administration were reflected.

The Committee also gave consideration to the appointment of two new CMT adviser posts, details of which were set out in the report.

After careful consideration of the proposals, the Committee

RESOLVED: That, subject to full Council’s consideration of the recommendation below:

- (1) the Executive Head of Organisational Development and Head of Corporate Development posts be deleted from the establishment with effect from 31 October 2015;
- (2) the new Corporate Management Team structure, as set out in Appendix 1 to the report submitted to the Committee, be approved with effect from 1 August 2015;
- (3) the following consequential changes be approved:
 - (a) Chief Internal Auditor to report directly to the Managing Director;
 - (b) Energy Management and Sustainability Officer to report to the Director of Resources pending further review and consultation
 - (c) PR and Marketing Manager to report to the Director of Corporate Services
 - (d) Web Programme Manager to report temporarily to the Director of Corporate Services pending further review and consultation
 - (e) Policy and Partnerships Officer to report to the Director of Corporate Services pending further review and consultation
- (4) the Managing Director to review:

by 31 October 2015:

 - (a) the respective roles of the HR and Business Improvement Manager and Head of Business Systems and, in the interim, the HR and Business Improvement Manager shall report to the Director of Corporate Services and Head of Business Systems shall report to the Director of Resources; and
 - (b) how best to deliver transformation in the organisation and the resources/skills set required to achieve this;

by 31 March 2016:

- (c) the role and scope of the economic development function
- (5) the Director posts (with the exception of the Director of Corporate Services) be made permanent;
 - (6) the Managing Director to review and consult on current generic job descriptions for Executive Heads of Service to ensure that the change to Director, the broader leadership changes and aspirations for the new administration are reflected;
 - (7) the appointment of a Deputy Managing Director, on an initial 12 month basis, be considered by the Employment Committee in early September and reported to full Council at its meeting on 7 October 2015;
 - (8) the appointment, subject to negotiation, of the current interim post of Head of Planning directly on contract for a further period of 18 months as Infrastructure Programme Director, reporting to the Director of Development;
 - (9) the appointment, on an interim 18 month basis, of a Strategic Communications Consultant to report to the Director of Corporate Services, as adviser to the Corporate Management Team to lead on the Council's communications planning on the place shaping agenda;
 - (10) the Heritage and culture function and management of the Electric Theatre to move to the Environment Directorate pending the outcome of the review of the Economic Development function referred to in paragraph 4(c) above;
 - (11) the Asset Development service to move to the Resources Directorate pending the outcome of the review of the Economic Development function referred to in paragraph 4(c) above;
 - (12) the Interim Manager Major Projects post within Economic Development be extended for three months

The Committee, having noted that any proposal to make a termination payment of £100,000 or more, including the cost by the employer to the Local Government Pension Scheme, required approval by full Council before any offer was made,

RECOMMEND: That the termination payment by way of redundancy of the Executive Head of Organisational Development, and associated pension costs set out below be approved:

- Redundancy costs - £95,625.50
- Pension strain costs - £92,099.42

Reason for Decision/Recommendation:

To adopt a new Corporate Management structure that will ensure the Council is able to deliver on its Corporate Plan priorities and is well placed to meet future challenges.

The meeting finished at 8.44 am

Signed

Chairman

Date