

BRISTOL CITY COUNCIL

HR COMMITTEE

16th January 2014

Report of: Richard Billingham, Service Director HR

Title: Market Supplement for Service Director: Finance post

Ward: n/a

Officer Presenting Report: Richard Billingham, Service Director HR

Contact Telephone Number: 0117 92 22341

RECOMMENDATION

The HR committee is asked to:

- 1) Note that a previous recruitment exercise to source the Service Director – Finance post (which also holds the Section 151 Responsibility) resulted in an insufficiently strong field for this crucial role, with many potentially strong candidates stating the salary as being a significant factor in their failure to apply.
- 2) Note that, at the meeting of the Selection Committee (shortlisting panel) held on 9th December 2013, the decision was taken by the Members of the Panel and the Head of Paid Service, following appropriate advice, to re-advertise the post with a market supplement, bringing the salary up to a possible £99000 per annum.

Summary

This paper is intended to set out the justification for re-advertising the Service Director – Finance post with a market supplement, taking the potential salary to a possible £99000 per annum.

The significant issues in the report are:

- The salary offered for the Service Director – Finance (s.151 Officer) post during the recent recruitment exercise was insufficient to attract a number of potentially strong candidates (see exempt Appendix 2).
- The decision to re-advertise the post with a market supplement was taken by the Members Panel and the Head of Paid Service on 9th December 2013, in accordance with Bristol City Council’s Pay Policy (see section 1).
- It is recognised that this places the potential maximum salary for the successful candidate above the top of Hay Grade Q (which is the grade of all other Service Directors across the Council, except those in the Executive Office). However, for the reasons set out in this paper, this is considered to be an evidence-based and justifiable decision.

Policy

1. This paper relates directly to Bristol City Council’s Pay Policy, which explicitly states under Section 5.5:

“Authority to award, revise or discontinue market supplements:

- HR Committee for 1st & 2nd tier posts
- **A Selection Committee and the “Head of Paid Service”, for 1st or 2nd tier posts, upon the advice of a recruitment adviser acting for the Council regarding appointments at senior management level (Such decisions will be reported to the HR Committee thereafter, for ongoing monitoring and review).**
- Head of Paid Service & Service Director: Strategic HR and Workforce Strategy or all posts at 3rd tier level and below”

The proposal set out in this paper relates directly to the second bullet point in bold above.

Consultation

2. Internal

Selection Committee Members
 City Director
 Service Director – Human Resources
 People Business Partner
 Recruitment and Selection team

3. External

Penna (recruitment agency supporting Bristol City Council with senior recruitment)

4. Context

- 4.1. Following the departure of the substantive Service Director – Finance (s. 151 Officer) in September 2013, the post has been filled on an interim basis.
- 4.2. Bristol City Council is required to make significant savings (c. £90m) over the next three financial years. Ensuring that strong financial leadership is in place is therefore crucial to achieving this challenging target.
- 4.3. The Service Director – Finance was Hay evaluated and agreed at Hay Q, along with the rest of the Service Director posts. This was therefore the originally advertised grade.

- 4.4. A number of potential candidates expressed an interest in the role, however were deterred from applying because they felt the salary level did not reflect the responsibilities of the role. Full details of this can be found in Appendix 2. Further, Bristol City Council were advised throughout by Penna (the Agency supporting the recruitment) that the salary point would be insufficient to attract the level of candidate necessary to fulfil this role.
- 4.5. Despite this, thirteen candidates applied for the role. Following an initial long-listing process, seven candidates were taken forward for a technical interview. Following the technical interview, only one of the seven was recommended to be shortlisted for the final selection day.
- 4.6. At the shortlisting meeting held on 9th December 2013, the Selection Committee (consisting of Mayor George Ferguson, Cllr. Gollop, Cllr. Kent, Cllr. Brain and Cllr. Telford on behalf of Cllr. Radice), alongside the City Director (Head of Paid Service), decided on this basis to cancel the selection day due to be held on 12th December 2013 and re-advertise the post in the New Year.
- 4.7. It was further discussed that the salary point should be increased to attract a higher number of potentially suitable candidates. It was agreed that the grading structure of the Council (i.e. Service Directors to be paid at Hay Grade Q) should not be disrupted, but that the unsuccessful recruitment exercise served as justification for a market supplement to be applied.
- 4.8. Members of the Selection Committee, alongside the City Director, agreed to apply a market supplement which would allow the maximum salary to be up to £99000 per annum (gross). This represents a potential increase of £9795 per annum on the current maximum of Hay Grade Q (£89205). This decision was taken following advice from Human Resources and the recruitment specialists supporting the process.
- 4.9. It was further agreed that this market supplement should be complemented by a more creative marketing strategy that pays more credence to the benefits of working for and in Bristol, as well as the profile of the recently appointed Strategic Director – Business Change (Max Wide), who has a strong national reputation.
- 4.10. In further support of this, a list of Directors holding Section 151 responsibility is attached as Appendix 1. It can be seen that Bristol's current offer is the lowest among this group.
- 4.11. The one candidate who was recommended for interview will be held, and will have the opportunity to be interviewed at the same time as any other candidates who are recommended as part of the further selection process in January 2014.
- 4.12. It should be noted that the decision to re-advertise will not further increase the recruitment costs to Bristol City Council, as Penna have committed to costs that are dependent on a successful appointment.

5. Proposal

- 5.1. It is proposed that Members of the HR Committee note and ratify the decision

to apply a market supplement to the Service Director – Finance (s.151 officer), up to a maximum of £99000 per annum, on the grounds set out in this paper.

- 5.2. Penna will continue to support Bristol City Council on this recruitment and will not charge any extra for re-advertising the post.

6. Other Options Considered

- 6.1. The option of re-advertising at the same salary point was considered. However, this was discounted as it was felt that this would replicate an insufficiently strong field.
- 6.2. The option of offering a higher substantive grade to this post was considered, but discounted on the grounds that it would break the existing grade structure, which would both create inconsistency across the Service Director population, and potentially leave the Local Authority open to Equal Pay claims.

7. Risk Assessment

If this proposal is not ratified, there is a high risk that Bristol City Council will not be able to appoint to the key post of Service Director – Finance (s.151 Officer). This will result in a lack of strong financial leadership at a time of significant financial challenge.

Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - iii) Foster good relations between persons who share a relevant protected

characteristic and those who do not share it. This involves having due regard, in particular, to the need to –

- tackle prejudice; and
- promote understanding.

- 8b) We are legally obliged to ensure that we are not in breach of Equal Pay Regulations. The application of market pay supplements is being provided for a particular post where objective justification for the decision is clear given the unsuccessful recruitment exercise.

On-going monitoring will need to be undertaken to ensure that we are not open to any claim for equal pay.

Legal and Resource Implications

Legal

The recommendation in the report is in accordance with the Council's Pay Policy. It is a requirement that the Market Supplement is regularly reviewed in accordance with the Policy to ensure it continues to be objectively justified and to limit any risk arising from its application.

Legal advice provided by Husinara Jones, Employment Solicitor

Financial

(a) Revenue

The revenue costs will be from the General Fund.

(b) Capital

There are no capital consequences arising from this report.

Shahida Nasim, Finance Business Partner

30 December 2013

Land

Not applicable

Personnel

There are no further Human Resources implications other than those outlined in this paper. The People Business Partner, in conjunction with the Service Director – Human Resources, will continue to provide Human Resources advice throughout this process, and specialist recruitment advice will continue to be sought as necessary.

Personnel advice provided by Alex Holly, People Business Partner

Appendices:

Appendix 1: Salary Comparison with Core Cities (information provided by Shahida Nasim, Finance Business Partner).

Appendix 2: Market search results detailing candidates deterred from applying for the post due to the salary point - EXEMPT

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:None

APPENDIX 1

Appendix 1: Salary Comparison with Core Cities (information provided by Shahida Nasim, Finance Business Partner).

City	Salary
Bristol	£89,000
Birmingham	£120,000
Leeds	£115,000
Liverpool	£116,000
Manchester	£116,000
Newcastle	£115,000
Nottingham	£115,000
Sheffield	£110,000