

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE HUMAN RESOURCES COMMITTEE

HELD AT 7.35 P.M. ON WEDNESDAY, 18 JULY 2012

**ROOM C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG**

Members Present:

Councillor Mohammed Abdul Mukit MBE (Chair)

Councillor Zenith Rahman
Councillor John Pierce
Councillor Rania Khan

Councillor Peter Golds
Councillor Joshua Peck

Other Councillors Present:

Officers Present:

Isabella Freeman	– (Assistant Chief Executive - Legal Services, Chief Executive's)
John Williams	– (Service Head, Democratic Services, Chief Executive's)
Stephen Halsey	– (Corporate Director Communities, Localities & Culture and Interim Head of Paid Service)
Simon Kilbey	– (Service Head, Human Resources and Workforce Development)
Angus Taylor	– (Interim Committee Services Manager (Operational), Democratic Services, Chief Executive's)

COUNCILLOR MOHAMMED ABDUL MUKIT (CHAIR) IN THE CHAIR

1. ELECTION OF VICE-CHAIR FOR THE MUNICIPAL YEAR 2012/2013

Councillor Joshua Peck, nominated Councillor John Pierce as Vice-Chair of the Human Resources Committee for 2012-2013. Councillor Zenith Rahman seconded the nomination.

There being no other nominations it was: -

Resolved

That Councillor John Pierce be elected to serve as Vice – Chair of the Human Resources Committee for the remainder of the Municipal Year 2012-2013, or until a successor is appointed.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

- Councillor Gloria Thienel for whom Councillor Peter Golds was deputising.
- Councillor Rajib Ahmed for whom Councillor Joshua Peck was deputising.

Apologies for lateness were received on behalf of:

- Mr Stephen Halsey (Corporate Director Communities Localities and Culture and Interim Head of Paid Service).

Noted.

3. DECLARATIONS OF INTEREST

No declarations of interest were made.

4. UNRESTRICTED MINUTES

Councillor Peck, in referring to the minutes of the extraordinary meeting of the Human Resources Committee (HRC) held on 29th February 2012, Page 3 Agenda Item 4, noted the inclusion in the agenda before the Committee of the requested report on Graduate Trainee Scheme recruitment; however clarification was sought and given regarding the absence of the other requested reports on:

- Quarterly information on new staff recruited
- Whistle Blowing Policy

Noting the clarification given by Mr Kilbey (Service Head Human Resources and Workforce Development), Councillor Peck requested that reports be presented to the next meeting of the HRC on the following:

- The Council's Whistle Blowing Policy with a view to discussion of the interlinkage with staffing matters..
- Quarterly information (last two quarters of the year), on new recruited staff with a view to assessing the recruitment policy in practice. Sharing data with Members outside the Committee was not sufficient.

The Chair **Moved** and it was: -

Resolved

1. That the unrestricted minutes of the ordinary meeting of the Human Resources Committee, held on 20th July 2011, be agreed as a correct record of the proceedings, and the Chair be authorised to sign them accordingly.
2. That the unrestricted minutes of the ordinary meeting of the Human Resources Committee, held on 18th January 2012, be agreed as a correct record of the proceedings, and the Chair be authorised to sign them accordingly.
3. That the unrestricted minutes of the extraordinary meeting of the Human Resources Committee, held on 29th February 2012, be agreed as a correct record of the proceedings, and the Chair be authorised to sign them accordingly.

5. REPORT OF ASSISTANT CHIEF EXECUTIVE

6. HUMAN RESOURCES COMMITTEE TERMS OF REFERENCE, MEMBERSHIP AND QUORUM

Mr Williams (Service Head, Democratic Services), at the request of the Chair, introduced the report detailing arrangements agreed by the full Council for the Terms of Reference, Quorum, Membership and dates of meetings of the Human Resources Committee for the current Municipal Year.

The Chair **Moved** and it was:-

Resolved

That the Terms of Reference, Membership, Quorum and dates of future meetings for the Committee, as set out in Appendices 1 and 2 and paragraph 3.3 of the report, be noted.

7. REPORTS OF CORPORATE DIRECTOR, RESOURCES

7.1 Tower Hamlets Graduate Programme

Mr Kilbey (Service Head Human Resources and Workforce Development), at the request of the Chair, in introducing the report, summarised the key points contained therein emphasising the following:-

- Officers from the Human Resources and Workforce Development service carried out the selection process for the 2012 Tower Hamlets Graduate Programme ('the Programme') There had been two Officer panels, applicants had been assessed against agreed criteria using a number of techniques including interview and psychometric testing, and 21 graduates had been recruited.
- The innovative Programme included placements with partner organisations and his Officer team were monitoring progress closely and endeavouring to identify the best opportunities to secure employment for the graduates, either with the Council or these

partners. Graduates were also following a post graduate diploma course in parallel with the Programme which would assist this. Feedback so far was positive and the cohort was talented. The People Board had considered how to match the graduates to job opportunities in the Council and consequently they are now included in the job matching process.

A discussion followed which focused on the following points:-

- Concern was expressed that the reported composition of the graduate cohort was far from consistent with the Council's policy of a Workforce to Reflect the Community in respect of either gender or ethnicity, and all possible steps should be taken to ensure inclusive recruitment across the equality strands. An assurance was sought that Mr Kilbey would ensure this was mitigated in any future recruitment whilst also appointing on merit. Mr Kilbey responded that the strategy had been to advertise the Programme on the Council website and in East End Life but clearly this had not reached some groups. Following Corporate Management Team discussion, it was intended that more outreach work be undertaken with schools, colleges and community groups. Advertising (possibly including a poster campaign with appropriate role models) and outreach would also be done further in advance of recruitment, and a survey undertaken of the current cohort to identify what attracted them to apply to inform future methodology, more information was needed for a more targeted approach. However it was important to note that there were other graduate initiatives.
- Information was requested on the following with a view to ascertaining the reason for not achieving more diverse catchment for the Programme:
 - Numbers of graduates that had applied for a place on the Programme, a demographic breakdown of these, and the number that had been appointed.
 - Numbers of applicants that it was initially intended would be appointed.
 - A second column to the table in paragraph 6.2 detailing number of applicants for each monitoring category.
 - An anonymised breakdown of test scores for each candidate and an analysis of the psychometric testing for successful and unsuccessful candidates in each monitoring category.
 - Future reports on the Programme should include details of the associated advertising and communications strategy.
- Consideration that moving forward the Programme should be accessible to mature students and partner organisations for placements should include locally based Housing Associations. Mr Kilbey responded that the Council was careful not to discriminate on grounds of age and was looking to widen the partner base, however initially there had been limited options of those willing to invest in the Programme.
- Mr Kilbey, at the request of the Chair, responded to requests for clarification/ assurance, in relation to a number of matters including:-

- The source of the categories obtained for monitoring ethnicity and the absence of some standard categories. Mr Kilbey to provide Committee members with the full list.
- The process for agreement of the recruitment process and whether there had been Member involvement.
- Inclusion of universities in the outreach work for the next Programme.

The Chair **Moved** and it was:-

Resolved

That the contents of the report be noted.

7.2 Benchmarking of London Borough Pay Policy Statement

Mr Kilbey (Service Head Human Resources and Workforce Development), at the request of the Chair, in introducing the report, summarised the key points contained therein, highlighting: that the full Council had recently set the Authority's Pay Policy Statement (PPS) and this had subsequently been published, however if necessary this could be reviewed and amended in year.

A discussion followed which focused on the following points:-

- Consideration that the model of a pay multiple of highest to lowest paid used by the London Borough's of Lewisham and Waltham Forest was meaningful to the public and therefore consideration should be given to incorporation into the PPS for LB Tower Hamlets.
- Following clarification that the Human Resources Committee (HRC) would be the appropriate forum for consideration of staff terms and conditions and remuneration policy (subject to full Council agreement of a change to the HRC terms of reference):
 - Consideration that over time staff salaries changed, and although this was good for employees, more oversight was needed by those charged with governance of the Authority, and this would be the rightful expectation of residents. Accordingly it was proposed and agreed that the annual report on pay policy should cover these matters. It was additionally proposed and agreed that for the purposes of those deliberations the advice available to the Committee be extended by the co-option of a trade union representative (as with the Pensions Committee) or presence of an organisation such as Hay. It was considered this was consistent with a European approach and the approach being considered by neighbouring boroughs such as Lewisham.
 - Given anecdotal evidence that the application of honoraria was inconsistent across the Authority, and this was detrimental for staff in general, there was a need for a clear Authority policy on acting up and honoraria. Accordingly it was proposed and agreed that a report should be brought forward for HRC consideration on this matter.

- In the context of the Authority's agreement to extend the LLW paid to in-house staff to all organisations who the Council contracts with (with the cost impact to be absorbed within contracts), and an understanding that this had been problematic, consideration that a progress update on implementation for contracting organisations would be helpful for members of the Committee.

Mr Kilbey, at the request of the Chair, responded to a request for clarification/assurance, in relation to the impact of implementation of the London Living Wage (LLW) on the lowest paid in Tower Hamlets. Mr Kilbey undertook to provide a trend analysis to members of the Committee in this regard.

The Chair **Moved** (taking account of the proposals from members of the Committee) and it was:-

Resolved

1. That the contents of the report be noted, including the benchmarking data set out therein.
2. That reports be brought forward for HRC consideration on the following:
 - a) Tower Hamlets employee rates of pay as part of the annual pay policy report
 - b) Authority policy on acting up and honoraria
 - c) progress update on implementation of London Living Wage for organisations which the Council contracts with.

7.3 Benchmarking of London Borough Severance Schemes

Mr Kilbey (Service Head Human Resources and Workforce Development), at the request of the Chair, in introducing the report, summarised the key points contained therein emphasising the following:-

- The Authority's Legal powers for making severance payments additional to statutory requirements were set out at paragraph 1.2 of the report.
- LB Tower Hamlets paid the highest level of discretionary severance pay amongst the London boroughs for which data was available. It also paid 3 months notice, rather than the statutory weekly amount, and this was higher than paid by some other London boroughs.
- Although there was a cost attached to the current level of discretionary severance payments, it had resulted in the most effective approach amongst London boroughs to achieving the staffing cuts necessary to deliver Government driven savings, with a minimal level of compulsory redundancies, and consequently good employee relations had been maintained. The policy should also be seen in the context of successful development of redeployment policy which had saved the Authority substantial sums in redundancy costs.

A discussion followed which focused on the following points:-

- Consideration that in relation to the Authority's discretionary policy on redundancy pay, it would be helpful for members of the Committee to see how the payments were reached, and the methodology for recording the reasons for usage of the policy. Mr Kilbey responded that a standard policy applied to staff, with a formula based on age and length of service for calculating the payment.
- An analysis of employee redundancy by grade, ethnicity, gender and age was discussed in the context that there was some concern that the risk and impact of recent reductions in the Authority's headcount had not been equal across the workforce.
- Consideration that the Authority was not good at managing poor employee performance and concern expressed that often reorganisation and redundancy was used as a substitute for addressing capability issues under alternative procedures, and this had a detrimental impact on the organisation. Mr Kilbey responded that small number of cases that reached the final stages under performance management procedures was an indication of under management. Much more could be done, without even reaching the final stages as had been shown with the driving down of sickness absence by an officer group scrutiny.
- Clarification was sought and given as to whether the Authority permitted leavers in receipt of severance payments to be re-employed within 6 months. Mr Kilbey responded that the Authority's Pay Policy could be strengthened by articulation of the matter and the setting of a specific timeline. Members of the Committee considered that a stronger statement of policy on this matter was required and the Pay Policy should be revised accordingly.
- Consideration that the Pay Policy should be specific in addressing the practice of re-employment of leavers in receipt of severance payments as consultants; which had a corrupting influence on the organisation. Mr Kilbey responded that the People Board was now getting a tighter grip on this practice, but the Authority's stance could be set out specifically in the Pay Policy. Accordingly it was proposed and agreed that an update report should be brought forward for HRC consideration on this matter.

The Chair **Moved** (taking account of the proposal from members of the Committee) and it was:-

Resolved

1. That the contents of the report be noted, including the benchmarking data set out therein.
2. That an update report should be presented for HRC consideration on the re-employment of leavers in receipt of severance payments as consultants, and the steps taken to address the practice, and any changes incorporated into the next Pay Policy Statement.

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

Variation to Order of Business

Councillor Peck commented that in his view there was no information contained in the report "Recruitment to the post of Chief Executive" [Agenda item 9.2] which needed to remain confidential and therefore required consideration in Section Two of the proceedings [closed to the public] He was therefore uncomfortable with the proposal to consider the report in Section Two, as he considered the information should be available to the public if at all possible. Clarification was sought and given as to the rationale of Officers for classifying the report as confidential/ exempt from publication. Subsequently Councillor Peck proposed that Agenda item 9.2 be considered in Section One of the proceedings [open to the public] and the meeting only move into Section Two if necessary, due to the content of the discussion. Accordingly he **Moved** the following motion for the consideration of members of the Human Resources Committee, and it was: -

Resolved

That Agenda item 9.2 "Recruitment to the post of Chief Executive" be considered in Section One of the proceedings at Agenda item 8.1 and the meeting only move into Section Two if required.

8.1 Recruitment to the post of Chief Executive

Special Circumstances and Reasons for Urgency

The Chair informed members of the Committee that the special circumstances and reasons for urgency associated with the proposals were detailed on the front page of the report. The Committee subsequently agreed the special circumstances and reasons for urgency as set out on the front page of the report and also set out below:

This report was not circulated with the Committee agenda and was unavailable for inspection within the timescales set out in the Authority's Constitution because the full Council decision giving rise to the report was taken on 11th July 2012. The report is nevertheless recommended for consideration at this meeting in order to ensure that there is no delay to the recruitment process for the post of Chief Executive in accordance with the decision of the full Council.

Mr Halsey (Corporate Director Communities Localities and Culture and Interim Head of Paid Service), at the request of the Chair, in introducing the report, summarised the key points contained therein commenting that:

- Following the recent full Council decision on the recruitment/ appointment of a Chief Executive (CE), Officers were trying to find a way forward to secure the full Council's aspiration that a CE be in post as soon as possible within the specified timeframe of 1st November

2012 or sooner (he had been appointed as Interim Head of Paid Service until 31st October 2012 or until such time as the new CE starts work). The timeline/ outline process proposed in the report should deliver the desired outcome within that timescale.

- The previous recruitment process had been lengthy, with Member approval sought at various stages in order to move it forward, including the appointment of recruitment consultants. To expedite the recruitment process he suggested that Members agree that he should proactively progress it and only seek Member approval when candidates suitable for interview were identified.

Mr Williams (Service Head, Democratic Services) highlighted the following for members of the Committee:

- The constitutional requirement that the appointment of a CE be made by an Appointments Sub-Committee (ASC) established by the Human Resources Committee (HRC); and the proposal, consistent with previous CE appointments, that this comprise of 7 Members with the allocation of places made on the basis of proportionality rules with the resultant composition as set out in paragraph 5.2 of the report. Officers would require nominations from the Mayor and the Leader of Majority and Minority groups in order to make appointments to serve on the ASC.
- The statutory process pertaining to the recruitment of any Chief Officer of the Authority, which provided for a short period during which any member of the Executive [Cabinet] could object to the preferred candidate recommended by the Appointments Sub-Committee. Should a well founded objection be received the Sub-Committee would need to reconvene to consider this.

A discussion followed during which the proposals contained in the report were broadly welcomed, and which focused on the following points:-

- Clarification/ assurance was sought and given in relation to the nature of the provision for objections from the Executive to any appointment recommended by the ASC:
 - Whether a veto or advisory comment
 - Requirement that an objection be material and well founded, how this was determined, and the need to give such an objection reasonable consideration.
 - Ms Freeman (Assistant Chief Executive - Legal) undertook to provide Councillor Golds with confirmation in writing of the legal position in respect of the 'Executive objection process'.
- Mr Halsey, in response to a request for clarification regarding the appointment of recruitment consultants, commented that he had instructed Mr Kilbey (Service Head Human Resources and Workforce Development) to begin the process of re-procurement as soon as possible, and a framework was now in place for this. He has asked to be kept informed of progress, and would likewise update members of the ASC.
- Consideration that:

- The report only partially addressed the full Council resolution in respect of a contract end date for the new CE, and this should not be overlooked, particularly in the context of the time lost with the previous unsuccessful recruitment process.
- The CE recruitment process required now was very different to that before, of recruiting from an advertisement; and what was being requested was that a small pool of candidates be approached and several brought forward for the consideration of the ASC. In this context it was appropriate for Mr Halsey to proactively progress the recruitment process.
- Mr Halsey responded that Member discussion of the person specification and fixed term contract end date could take place at the first meeting of the ASC, but that he felt it important to move the recruitment process forward without waiting for Member approval/selection of recruitment consultants, if members of the HRC were content for him to do so. Councillor Peck commented that he was content with this approach, but proposed and it was agreed, that the engagement of the recruitment consultants should be made after consultation with the Chair of the HRC.
- The importance of prompt submission to Officers of nominations to serve on the ASC, in the context of expediting the CE recruitment process was noted.
- Mr Kilbey sought clarification as to the intent behind the use of the term 'professional interim' in the Majority Group motion at full Council in relation to nature of CE being sought. He advised that if a combined Chief Executive and Head of Paid Service was being sought that would require the person to be a contracted employee of the Authority and not a consultant, and this could narrow the field. Councillor Peck (Leader of the Majority Group) responded that the Majority Group intended that there be a combined CE and Head of Paid Service. Also that it would be unsatisfactory for the postholder to be a consultant, but Officers should liaise with Members if it appeared likely that this would narrow the field to the detriment of the Authority.
- The Chair and members of the Committee reiterated the importance of the CE recruitment process being undertaken properly and with due diligence.
- Councillor Peck (Leader of the Majority Group) emphasised the importance of the Mayor's involvement in the CE recruitment process and reiterated the desire of the Majority Group that he serve on the ASC.

The Chair **Moved** the recommendations as set out in the report (taking account of the proposal from Councillor Peck), and it was: -

Resolved:

1. That the decisions of the full Council on 11th July 2012 regarding the recruitment to the post of Chief Executive be noted;

2. That an Appointments Sub-Committee be established to undertake the recruitment of a Chief Executive on a fixed term basis and to make recommendations to the full Council on that appointment; and that the Appointments Sub-Committee comprise of seven members as set out at 5.2 of the report;
3. That the Service Head, Democratic Services be authorised to liaise with the Mayor and Group Leaders to receive their nominations and agree the membership of the Appointments Sub-Committee in accordance with resolution 2. above, and to agree a date for the first meeting of the Sub-Committee;
4. That the interim Head of Paid Service and the Service Head, Human Resources and Workforce Development report to the first meeting of the Appointments Sub-Committee with a proposed process, timetable, specification and associated matters with a view to the new Chief Executive being in post by 1st November 2012 if possible; and
5. That Mr Halsey (Corporate Director Communities Localities and Culture and Interim Head of Paid Service), be authorised to progress the selection of recruitment consultants to facilitate the CE recruitment process, but any contractual engagement be made after consultation with the Chair of the Human Resources Committee.

9. EXCLUSION OF PRESS AND PUBLIC

The Chair **Moved** and it was: -

Resolved

That in accordance with the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting:

- (a) As it was likely, in view of the nature of the business to be transacted in Section Two of the agenda, that if members of the public were present during consideration of this business there would be disclosure of exempt information.
 - Exempt information is defined in section 100I and, by reference, Schedule 12A of the Local Government Act 1972 (“the 1972 Act”). To be exempt, information must fall within one of the categories listed in paragraphs 1 to 7 of Schedule 12A, must not fall within one of the excluded categories in paragraphs 8 and 9 and the public interest in maintaining the exemption must outweigh the public interest in disclosing the information.
 - Agenda item 9.1 “Restricted Minutes” (of the ordinary meeting of the Human Resources Committee held on 18th

January 2012) contained information relating to paragraph 4 (information relating to any consultations or negotiations or contemplated consultations or negotiations, in connections with any labour relations matters arising between the authority, or a Minister of the Crown and employees of, or office holders, under the authority) and paragraph 5 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings).

- (b) As although there is a public interest favouring public access to local authority meetings, in this case the Human Resources Committee concluded that given the information contained in:
- Agenda item 9.1 “Restricted Minutes” (of the ordinary meeting of the Human Resources Committee held on 18th January 2012) contained information relating to paragraph 4 (information relating to any consultations or negotiations or contemplated consultations or negotiations, in connections with any labour relations matters arising between the authority, or a Minister of the Crown and employees of, or office holders, under the authority) and paragraph 5 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings).

that the public interest in maintaining the exemption on the information outweighed the public interest in disclosing it.

SUMMARY OF EXEMPT PROCEEDINGS

9.1 Restricted Minutes

Minutes (Human Resources Committee 18th January 2012) agreed.

9.2 Recruitment to the post of Chief Executive

Considered in Section One of the proceedings.

10. ANY OTHER RESTRICTED BUSINESS WHICH THE CHAIRS CONSIDERS URGENT

Nil items

The meeting ended at 8.45 p.m.

Chair, Councillor Mohammed Abdul Mukit MBE
Human Resources Committee