

Governance Working Group

Portfolio:	Non-executive function
Ward(s) Affected:	all

Purpose:

The Council is asked to consider the recommendations of the Governance Working Group in relation to:

- (i) the Employment Committee and its Sub Committees; and
- (ii) Financial Regulations in respect of ex-gratia payments.

1. Background

- 1.1. The Working Group met on 29 May 2020. At this meeting it considered a number of issues and made recommendations which are addressed below.

2. Review of the Employment Committee

- 2.1. The Working Group reviewed the purpose and Terms of Reference of the Employment Committee (EC) and its sub committees following several months of operation.

Grievance and Disciplinary Processes for Senior Staff

- 2.2. The Working Group reviewed the process for managing disciplinary and grievances for senior officers. At present, all disciplinary and grievances relating to Statutory Officers are referred to a Hearing Sub Committee for determination by Members, but for non-statutory senior officers the responsibility rests with the Head of Paid Service; however, in cases where there is a conflict of interest, the Head of Paid Service can refer the matter to Members to determine.
- 2.3. The Group considered a suggestion that disciplinary and grievances for all senior officers are referred to Members for determination. Having discussed this proposal, the Working Group recommends that the Head of Paid Service remains responsible for any disciplinary and grievances for non-statutory senior officers. However, it proposes strengthening the wording on the Head of Paid Service referring any matters to a Sub Committee in the event of the Head of Paid Service being conflicted by reasons of impartiality, prior involvement or other relevant considerations.

Exceptional Payments to Senior Officers and Acting Up to Senior Roles

- 2.4. The Working Group considered a proposal to amend the Exceptional Payments Policy to make it clear that, with the exception of Acting Up Allowances, the Policy would apply to officers on Grades 1-9 only. It also considered a proposal to amend the EC's Terms of Reference to state that the

Committee will be responsible for agreeing any ex gratia payments to senior officers, unless a decision on such payments is reserved to the Council.

- 2.5. The Working Group recommends that the Appointment Sub Committee's Terms of Reference are amended to clarify that any acting up appointments to senior roles will be made by an Appointments Sub Committee; this will be applicable where the duration of the acting up role is greater than a month. It also recommends that any Acting Up Allowances agreed in relation to senior officer roles will be decided by an Appointments Sub Committee at the time of interview for an acting up role.

Incremental rises for the Head of Paid Service

- 2.6. The Working Group discussed the process for review of the remuneration for the Head of Paid Service, including incremental rises, which is currently reserved for decision by the Full Council. Incremental progression through pay scales is based upon the assessment of performance in annual appraisals and the EC's Terms of Reference provide for the Committee to review all appraisals for the Head of Paid Service. As a result, the Working Group discussed whether decisions on incremental rises for the Head of Paid Service should be made by the EC, rather than the Council.
- 2.7. Taking into account concerns raised about the contractual nature of incremental rises and legal advice provided, the Working Group agreed on balance to recommend that the EC should make any decisions on incremental rises for the Head of Paid Service.

Senior Management Restructures and Recruitment of a Chief Executive

- 2.8. The Working Group supported additions to the Committee's Terms of Reference to include a clear process for agreeing senior management restructures and any process for the recruitment of a Chief Executive.

Minor Amendments

- 2.9. A minor amendment to the Scheme of Delegation of Functions to Officers to reflect the delegation of functions to the Employment Committee is proposed and is set out at Annex C.

3. Review of Financial Regulations - ex-gratia payments

- 3.1. The Working Group considered revisions to Section 9 of Financial Regulations, which have been reviewed with the intention of addressing Browne Jacobson's Independent Investigation recommendation in respect of the authorising of advance or ex gratia payments to senior officers.
- 3.2. The Working Group proposes that Financial Regulations are updated to provide that:
 - (a) Any ex-gratia payments to Statutory Officers or the Executive Head of Transformation must be authorised by 2 statutory officers, excluding themselves;

- (b) Any ex-gratia payments to non- Statutory Officers, excluding the Executive Head of Transformation, must be authorised by the Executive Head of Transformation and a statutory officer; and
- (c) In order to provide sufficient resilience, in the absence of the officers named at (a), the Deputy Monitoring Officer and Deputy Section 151 Officer can authorise ex-gratia payments to Statutory Officers and the Executive Head of Transformation.

3.3. The arrangements at paragraph 3.2 concern the authorisation of the payments, which would only be undertaken after any decision of the Employment Committee or Full Council as relevant.

4. Options

4.1. The Council has the option to agree the changes proposed, not agree these proposals, or propose any other alternatives as considered appropriate.

5. Resource Implications

5.1. Any resource implications relating to the proposals relate to opportunity costs which can met from within existing budgets.

6. Recommendation

- 6.1. The Council is advised to RESOLVE that
- (i) the Terms of Reference of the Executive, Committees and Other Bodies at Part 3 of the Constitution, be amended as set out at Annex A to this report;
 - (ii) the Officer Employment Rules at Part 4 of the Constitution be amended as set out at Annex B to this report;
 - (iii) the Scheme of Delegation of Functions to Officers at Part 3 of the Constitution, be amended as set out at Annex C to this report; and
 - (iv) Financial Regulations be amended, as set out at Annex D to this report.

Annexes

Annex A – Proposed revised Terms of Reference of the Employment Committee and its sub committees.
Annex B – Proposed revised Officer Employment Rules
Annex C – Proposed revised Scheme of Delegation of Functions to Officers
Annex D – Proposed revised Financial Regulations (ex-gratia payments)

Background Papers:

None

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