

SENIOR OFFICER AND APPOINTMENTS STAFFING SUB-COMMITTEE**15 DECEMBER 2021**

REPORT TITLE:	RECRUITMENT TO POSTS (REGENERATION)
REPORT OF:	DIRECTOR OF RESOURCES

REPORT SUMMARY

This report sets out the challenges associated with meeting the resourcing requirements arising from the multiple programmes and projects that are in progress or planned to deliver the regeneration of the borough and the Local Plan.

To help address these challenges and maximise the opportunity for the Council to secure the skills and experience required, it seeks agreement for the Head of Paid Service to apply market supplements to salaries linked to delivery of the regeneration agenda where there is a business case for doing so.

RECOMMENDATION/S

The Senior Officer and Appointments Staffing Sub-Committee is recommended to:

- a) Note the level of recruitment activity ongoing to meet the requirements of the Council's regeneration agenda and the challenges associated with this;
- b) Agree that the Head of Paid Service has the authority to apply market rate supplements of 15k in exceptional cases for roles required to support the delivery of the Council regeneration plans and where there is a business case for doing so.
- c) Agree that the Economy, Regeneration and Development Committee is tasked with maintaining oversight of any appointments made in regeneration related roles where any market supplements are applied to a salary level up to and equivalent to Assistant Director level.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The delivery of the Council's regeneration agenda is one of the Council's biggest priorities. If we do this successfully it will provide the catalyst to achieve the vision that we have set out in the Wirral Plan which is to create equity for people and place and opportunities for all to secure the best possible future for our residents, communities and businesses. Our vision is underpinned by the principle of investing in infrastructure and supporting businesses for a thriving economy and opportunity for all.
- 1.2 We have been successful in securing unprecedented levels of national, regional, private and public investment to deliver our ambitious plans. It is imperative that the Council has the capability and capacity now to maximise the opportunities that we have created and ensure that we are a capable, professional and enabling partner in the commercial and other relationships we have established.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The alternative option is to continue to recruit employees into fixed term and permanent roles within current pay and terms and conditions framework. This may mean that we don't have the flexibility that we are seeking to try and be as competitive as possible in the recruitment market for certain roles and to limit the number and cost of interim/consultant appointments.
- 2.2 The Council was successful in securing funding from the Government's Regeneration Delivery Vehicle competition and is using this funding to explore the potential for a bespoke delivery vehicle for Wirral, particularly for LeftBank. This work will take some months to complete, and the chosen delivery arrangement will need to clearly address resourcing requirements. However, whatever delivery vehicle is chosen will face the similar recruitment challenges in regeneration as the Council is currently facing. Furthermore, due largely to the success in securing Government funding, which is time limited, the regeneration team are facing immediate resourcing requirements.

3.0 BACKGROUND INFORMATION

- 3.1 The Council's plans for regeneration for the borough present a once in a generation opportunity for change. Just a snapshot of recent developments includes successful bids for removal of flyovers to open up the town centre, the Government's Future High Streets Fund for Birkenhead and New Ferry, £25m Towns Fund, plus millions of pounds further bids under consideration, to support the ambitious work underway.
- 3.2 The borough is now leading one of the largest regeneration programmes in the country focusing on the Left Bank of the Mersey. Currently in delivery are major developments at Wirral Waters including Tower Road, Urban Splash, and the Maritime Knowledge Hub, with nearby children's museum Eureka, plus Woodside market, and with the Wirral Growth Company about to start on site in Birkenhead town centre.

- 3.3 The Government has shown enormous confidence in the Council by awarding a first phase of approximately £90m of public capital funding that will be applied to achieve the regeneration and economic development of the 'Left Bank' primarily of Birkenhead. The regeneration team are working with Homes England and the Combined Authority on further business cases for funding which will bring in a potential £200m of funding over the next 5 years.
- 3.4 In total there are 18 programmes and 140 projects, enabled through important new policies which are being developed as part of the programme. Not least of these is the new Local Plan, but also a Public Realm Strategy and Design Guide for Birkenhead, a Parking Strategy, a Culture and Heritage Strategy, and a Land Assembly strategy
- 3.5 The Council's ability to deliver is a key criteria in the assessment of any business cases made for future funding and will be particularly relevant in securing a potential £100m+ investment through Homes England's new funding programmes arising from the recent Comprehensive Spending Review. The Council is working with Homes England to prepare a business case to submit by the end of March 2022 which will include the Management Case as one of five business case elements to be assessed. It is vital that the Council can demonstrate an understanding of the scale of delivery it is entering into, and an ability to swiftly implement a resourcing plan to secure delivery.
- 3.6 Unsurprisingly, this has prompted a significant growth in recruitment and resourcing needs. Over the past 12 months the level of recruitment activity has been extremely high as we have added to our regeneration team across a wide range of disciplines. This activity is escalating. We need not just additional capacity to work at pace but specific skills, specialisms and experience that in some cases Local Authorities do not traditionally possess. These include urban design, land assembly, and infrastructure skills in new forms of sustainable energy and digital, as well as, crucially, individuals who have experience of working on the scale and complexity of programme which Wirral is now seeking to deliver. These individuals are not common and are highly sought after.
- 3.7 We are currently meeting our recruitment requirements through a number of different routes. We have recruited directly on permanent and fixed-term basis where we can and have also engaged interims and consultants where we have not been able to recruit directly or where this represents the most appropriate and cost-effective solution to meet short-term or specialist needs. We have recruited from across the country and developed an effective way of hybrid working. We have also contracted services where that has been a timely and cost-effective option, particularly for the provision of specialist services.
- 3.8 We currently have 22 interims/consultants in support of various programmes across regeneration, the local plan, project, planning and management roles. The majority of these are executive level. It is currently a highly competitive market where demand is greater than the supply available. Anecdotally, a number of the interims currently engaged by the Council are reporting that they are being regularly contacted by agencies to ask about their interest in roles elsewhere.

- 3.9 In the calendar year 2021, we have advertised 31 posts in our Regeneration Teams, 18 have been filled externally and 2 internally. This excludes agency, interims and consultants.
- 3.10 The recruitment market is currently very difficult and competitive and the challenges across many sectors have been well reported. This summer over 900,000 jobs were advertised in the UK. In the context of regeneration, the challenges facing the Council are:
- Private sector competition in relation to benefits and salaries.
 - The boom in regeneration and construction sectors which is driving salary costs
 - Specialised skill set and niche experience – roles are bespoke in nature and will require a specific skill set Wirral may have not recruited before.
 - The scale of regeneration and our long-term requirement for specialised roles
- 3.11 The Council is dedicating HR resource to the regeneration programme to support recruitment as it is clear that we will need to continue to add skills and capacity on an ongoing basis as projects and programmes enter different phases. It is important to emphasise that the Council is also recruiting at more junior levels in order to develop a strong “grow our own” approach to creating the skilled team needed for the medium and long term. The opportunity for junior staff to learn from experienced individuals is invaluable.
- 3.12 It is likely that the Council will need to continue to make use of interims and consultants to deliver our plans across the range of programmes. There will be skills that we only need to bring in to deliver short term projects and that we would not want to employ directly or incur the employment liability that would arise.
- 3.13 At the same time, our preference is to employ staff directly in permanent or fixed-term roles where possible and where that represents the right solution for the Council. There are benefits to the Council in securing staff on permanent or longer-term fixed term contracts. There are some interim/agency and consultants that have expressed interest in roles. Whilst rates of pay are not as attractive as the interim market, nor to the private sector or higher paying Councils, and we can't compete with that, there is some incentive to them in the security of a directly employed role with the Council.
- 3.14 In order to secure the best outcomes for the Council, we have to be as competitive and creative as we can be within a public sector context and maintaining transparency and governance as appropriate.
- 3.15 Under the Council's constitution the Senior Officer Appointments & Staffing Sub-Committee (Appointment Panel) will appoint all those Chief Officers whose grading is designated as 'Director' or 'Assistant Director'.
- 3.16 The Council's pay structure for Chief Officers whose grading is designated as Director and Assistant Director is set out at Appendix A. The current starting salary range for Assistant Directors is £74,165.
- 3.17 The appointment of other Chief Officers, whose grading is designated as 'Head of Service', 'Service Manager' or similar, are delegated to the Head of Paid Service or an officer nominated by them. The appointment of officers below Deputy Chief

Officer is also the responsibility of the Head of Paid Service or their nominee and may not be made by Councillors.

- 3.18 The Council's pay structure from entry level Band A to EPO25 is set out at Appendix B. The current top of grade for EPO25 is £70,647.
- 3.19 In practice, this means that within the Council all appointments up to the grade and salary EPO25 are made by officers and all appointments above EPO25 are made by Elected Members.
- 3.20 The purpose of this report is to seek agreement for some flexibility in the application of the current Pay Policy.
- 3.21 It is proposed that in exceptional cases, that the Head of Paid Service can authorise the offer of a market supplement over and above the salary of EPO25 up to a further 15k per annum in order to secure the appropriate skills required on a permanent or fixed term basis. (There may be some further flexibility required to attract interim to consider fixed term contracts if that presents a more cost-effective arrangement to secure specialisms).
- 3.22 For the avoidance of doubt, this is not a proposal for the Head of Paid Service to have authority to make appointments to Assistant Director posts, but flexibility in the salary that the Council is able to pay at Head of Service, Senior Management or other specialist roles within the Regeneration Directorate where there is a business case to do so and where this represents a benefit to the Council to secure the skills and experienced needed. These decisions often need to be made quickly in order to secure appointments, and to ensure the best skilled individuals can join the Wirral team without delay. This is particularly the case in the next 3 months as we put in place the delivery capacity for the major funding programmes recently secured through Levelling Up Fund, Towns Fund and Brownfield Fund.
- 3.23 Section 4, Paragraph 4.8.1 of the Council's pay policy states that from time to time it may be necessary to take account of the external pay levels in the employment market in order to attract and retain employees with particular experience, skills and capacity. Where necessary the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence, including relevant market comparators, recruitment and retention challenges and using data sources available from within the local government sector and outside, as appropriate. Proposals should be made by the recruiting manager, supported by a business case providing objective justification for the proposed variation. Proposed variations must be with the agreement of the Assistant Director of Human Resources and Organisational Development. Any temporary supplement to the salary scale for the grade is approved in accordance with the Council's Honoraria procedure, or any applicable market rate supplement arrangements.
- 3.24 Whilst the flexibility already exists within the pay policy for Officers to agree to the payment of market supplements it does not specify the level to which they may be paid or deal with the issue of any potential overlap that would arise with Chief Officer pay. It is important that there is transparency about pay within the organisation and therefore if by applying market supplements in exceptional cases salaries are uplifted to be equivalent to those paid for Assistant Directors, it is appropriate for this matter to be referred to this Committee for consideration and agreement.

- 3.25 Subject to the agreement of the Committee to the request for the use of market rate supplements up to 15k in exceptional cases, it is acknowledged that there would be a requirement to monitor how often this is applied, the nature of the roles and the reason.
- 3.26 To support this any proposal to apply a market rate supplement will be considered on a case by case by basis and requirement agreement from Director of Regeneration and Place. Director of Resources (and s151 Officer) and Assistant Director HR/OD.
- 3.26 The Economy, Regeneration and Development (ERD) Committee already provides oversight to the work being undertaken in relation to the range of programs and projects in progress and how the Council is resourcing and funding that work. As such it is proposed that the ERD Committee is tasked with maintaining oversight of any appointments made where market supplements are applied to this level, the role and the reasons through regular reports.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are no direct cost implications arising from this report. All resourcing requirements are funded by revenue, capital or in some cases grants as appropriate.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council will ensure that all recruitment is undertaken in accordance with Employment Procedure Rules, relevant policies and meets its obligations under employment law.
- 5.2 Section 7 of the Local Government and Housing Act 1989 requires that 'Every appointment of a person to a paid office or employment under a local authority shall be made on merit'.
- 5.3 The term 'chief officer' is defined within section 43 of the Localism Act 2011. For the purposes of this report, it defines a 'non-statutory chief officer' by reference to section 2(7) of the Local Government and Housing Act 1989 and a 'deputy chief officer' mentioned in section 2(8) of that Act. A 'non-statutory chief officer' is:
- (a) a person for whom the head of the authority's paid service is directly responsible;
 - (b) a person who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to the head of the authority's paid service; and
 - (c) any person who, as respects all or most of the duties of his post, is required to report directly or is directly accountable to the local authority themselves or any committee or sub-committee of the authority, other than person whose duties are solely secretarial or clerical or are otherwise in the nature of support services.

5.4 The Local Authorities (Standing Orders) (England) Regulations 2001 (as amended) provide mandatory standing orders that must be adopted by the Council relating to staff.

5.5 It is the responsibility of the Head of Paid Service (under (s4 Local Government and Housing Act 1989) to report to the authority, where they consider it appropriate to do so, on:

- (1) the manner in which the discharge of the Council's functions is co-ordinated;
- (2) the number and grade of officers required for the discharge of functions;
- (3) the organisation of officers; and
- (4) the appointment and proper management of the authority's staff.

5.6 Under the requirements of The Local Authorities (Data Transparency) Code 2015, the Council is required to publish:

- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
- details of remuneration and job title of certain senior employees whose salary is at least £50,000

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are no direct resource implications arising from this report. All resourcing requirements are funded by revenue, capital or in some cases grants as appropriate.

7.0 RELEVANT RISKS

7.1 There is a risk to the Council if we can't secure the skills and experience that we need to deliver our plans. That risk is increased if we don't have the flexibility to be as competitive as possible in the recruitment market should we need it in order to attract candidates to direct roles. Our aim is to reduce the reliance on interims and consultants where direct employment would be a better option for the Council and there is risk that we won't be able to do this if we can't attract people to permanent or fixed term roles.

8.0 ENGAGEMENT/CONSULTATION

8.1 There is no requirement for consultation arising from this proposal. The proposal has been shared with Trade Unions and the Director of Regeneration and Place has met with them to update on the regeneration work that is taking place and the potential benefits to the borough.

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies and the way it carries out its work, is not discriminatory. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2 An equality impact assessment is not required for this proposal. All recruitment activity takes equality implications into account and are in accordance with Council policies and procedures.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 There are no environmental or climate implications arising from this report.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 There are no direct community wealth implications arising from the report. The Council will recruit locally wherever possible. A key strand of the Local Plan is to develop and encourage local investment and employment opportunities.

REPORT AUTHOR: **Tony Williams**
Assistant Director HR/OD
telephone:
email: tonywilliams@wirral.gov.uk

APPENDICES

Appendix A: The Council's pay structure for Chief Officers

Appendix B: The Council's pay structure from entry level Band A to EPO25

BACKGROUND PAPERS

Local Authorities (Standing Orders) (England) Regulations 2001

Local Government and Housing Act 1989

The Local Authorities (Data Transparency) Code 2015

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee	17 March 2021