



ALACE Council Meeting

Date: Wednesday 5th October 2016

Time: 2pm - 4pm

Venue: Mayor's Reception Room, Westminster City Hall, 64 Victoria Street, London, SW1E 6QP

Attendees: Tracey Lee (Vice Chairman), Michel Saminaden (Hon. Treasurer), Ian Miller (Hon. Secretary), Charlie Parker, Nick Walkley, David Hughes, Karen Satterford. Consultants: Peter Bounds, Cheryl Miller, John Schultz

Attended by telephone conference: Merran McRae (items 6 to 10), David Cook

1. Welcome

In the absence of the Chairman, Tracey Lee chaired the meeting and welcomed those attending.

2. Apologies

Rob Tinlin, Mark Williams, Alistair Stewart, Alison Ward, John Sellgren, Jerry Hutchinson. Consultants: Roger Morris, Richard Penn, Pete Morris

3. Chairman's Update

Tracey commented on how busy things had been in ALACE in the last year and this was also reflected in today's agenda.

4. Minutes from the meeting held on 10 March 2016 / Matters Arising

The minutes were approved as an accurate record.

There had been a change of Minister in the Welsh Government and the reorganisation plans had been shelved.

The Hon. Treasurer was still doing work on a potential cost cap in respect of pensions advice: see item 7 below.

5 Endorsement of action taken to fill vacancies on the Council since the AGM

The Council noted that, under the present constitution, only the AGM can appoint members of Council and that there is no explicit provision for in year appointments to fill vacancies.

Council endorsed and formally ratified the steps already taken by the Hon. Secretary to fill vacancies on the Council from district councils, namely Karen Satterford (Wycombe) and

John Sellgren (Newcastle-under-Lyme); and from Scotland, namely Alistair Buchan (Orkney) and Mary Pitcaithly (Falkirk), ex officio their roles as chair and depute chair of the Scotland branch.

Council supported the Hon. Secretary approaching senior manager members to fill the remaining vacancies, with formal endorsement of any applications being given at the next meeting.

6 Review of constitution including membership categories

The Council considered a report from the Hon. Secretary which considered a number of areas where the constitution could be reviewed, and which sought clarification of the membership categories/eligibility for membership. A summary of the amendments to the constitution that were agreed is in the appendix to these minutes. Drafting would be commissioned from Roger Morris and considered by a future meeting of the Council, prior to recommendation to and formal ratification by the AGM in 2017.

The Hon. Secretary would circulate a revised paper about eligibility for membership for final comment by members of Council prior to implementation.

7. Financial and membership report

There are about 280 active members, taking account of the approximate 10% who will not be renewing membership in January (as a result of retirement, moving to roles outside the local government sector etc.). The Hon. Secretary circulated a financial summary which showed, at the end of September 2016, a deficit of £12k for the year, continuing the trend of the previous two years.

A working group consisting of the Hon. Treasurer, David Cook and Cheryl Miller would review the free pension support and produce proposals for constraining costs at the next meeting of the Council.

8. Consultants' Update – oral report

Roger Morris had dealt with 14 cases of which 9 were now closed. 12 of them were heads of paid service (HoPS), one a chief officer. He had also updated the guidance notes which would be issued shortly.

Richard Penn had had 3 cases, one of which is still current : one HoPS, one chief officer and one at a fire and rescue authority. He was also pursuing the recruitment and training of independent investigators.

Cheryl Miller reported her thanks for bringing Pete Morris on board. Since March, she had supported 37 members, of whom 24 were chief executives. Some cases had now been passed on to Pete. Increasingly, support for exit cases involves pension issues, some of which may be issues from internal recruitments at the height of austerity in 2010-2012 which were not fully "open".

Peter Bounds had dealt with 5 cases of which 4 were potential exits but 3 didn't happen! He was also supporting a chief executive in one council who was being "pursued" about issues in a previous council.

9. Chief executives' handbook

Peter Bounds introduced this item. The handbook was expected to be issued in the next week or 10 days. Members will be advised that this is the only procedure within the national terms and conditions, and should not voluntarily agree not to have it as part of their contract. Thanks were extended to Peter for his work and the draft circular was approved.

10. Policy on shared chief executive recruitment

Council approved the statement of policy on this matter set out in Appendix 1.

Council also considered the position of councils that were going through voluntary merger, such as examples in Kent, Suffolk and Somerset. Subject to road testing with members in the relevant councils, the Council approved that ALACE's policy stance should be that voluntary merger of councils should not require any existing shared post holders to re-apply for their jobs; and that, unless the councils concerned request otherwise and the affected individuals take the same view, voluntary merger should not involve a requirement imposed by Government/Parliament for the posts of chief executive or the other statutory officers to be subject to open competition.

11. Contracts for pensions advice and support

Cheryl Miller presented the paper which summarised the work done on negotiating revised contracts with Hymans Robertson for its pensions calculation service and Close Asset Management for its financial planning and investment service. Hymans' fees are unchanged although the senior consultant will be at a higher hourly rate. It was agreed to keep open the option of referring members to other advisers where appropriate.

Cheryl was thanked for her work on revising the contracts and the Council gave authority for the Hon. Secretary to finalise the changes and conclude the agreements with the two companies.

12. Membership Recruitment – oral item

A report earlier on the agenda had highlighted that only in Scotland were more than 50% of chief executives members of ALACE. Elsewhere typically around a third or so were members, with membership among eligible senior managers being lower, almost certainly well under 10%. A wide range of ideas was identified, recognising that there was some brand confusion between SOLACE and ALACE despite efforts by both organisations to spell out their distinct roles. The following actions were mentioned:

- generic mention of ALACE in SOLACE weekly email (principle already agreed). Mutual links on recruitment pages on SOLACE and ALACE websites;
- "regional" emails to all chief execs who are not members, from the Hon Secretary but also giving contact details of ALACE Council members in that region if people want a chat. Also promoting offer for senior managers;
- Emails to chief execs who are members, to ask them to encourage their senior managers to join;
- tracking changes announced in the MJ and LGC – individual emails to specific

- individuals who are not already members (Hon Secretary to do)
- Work with CIPFA to promote to chief financial officers (already in hand);
- Work with Lawyers in Local Government – to promote to monitoring officers and senior managers who are lawyers;
- Work with Association of Democratic Services Officers – to promote to democratic services officers in Wales and any other members who may be eligible for membership
- Ditto other professional groups e.g. ADCS, ADEPT, ADASS, PPMA
- Seek slots at relevant gatherings of chief executives e.g. ch execs of London/CCN/met ch execs
- Slot or at minimum handout at SOLACE events for new ch execs, and wanting to be a director/ch exec events
- Explore cost of hand out in “goodie bags” at relevant events e.g. SOLACE summit and other events, CIPFA conference etc
- Approach main recruitment firms to promote membership to successful candidates (they don’t want difficult exits to arise)
- Use the pension seminars as recruitment tool
- Case studies on web site. Seek “celebrity” endorsements from influential ch execs;
- Raising profile of the Association more widely e.g. MJ interview with chairman/hon secretary and consultants about pensions, turnover etc
- Make the AGM more exciting! Use it as a pitch or taster seminar. Consider informal event for “old” and new members.

The Council invited the Hon Secretary and other Officers to pursue as many of these as possible, with the support of the consultants where relevant.

13. Reforms to public sector exit payments

Council noted the update from John Schultz on the exit payments cap, exit payments recovery and further reforms to exit payments. Draft legislation or consultation was expected on the first and third of these. The Council identified the following points:

- while the clear preference would be for the full pension strain not to count against the cap in the event of redundancy, and ALACE would continue to argue for that, it was particularly important that any strain related to pension fund performance should be ignored;
- in respect of further reforms to exit payments, ALACE’s “red lines” should be to oppose the cap on salary used in calculations; that early access to pension in the event of redundancy should be retained as a feature of the local government pension scheme; and that there must be transitional arrangements to mitigate the impact based on age or closeness to pension age. DCLG also needed to address new burdens for councils.

14. AOB

There was none.

15. Dates of meetings for remainder of 2016 and up to AGM in 2017

The Hon Secretary would identify a date in early January that was convenient to the

Chairman (subsequently confirmed as Thursday 5 January 2017). Dates for meetings in the remainder for 2017 would be agreed in correspondence. The AGM would be held on Wednesday 5 July 2017, 12 noon to 2pm, Birmingham (venue TBC)

The consultants left the meeting at this point.

16. Consultants' contracts

The Council considered and endorsed the proposals for the new form of contract with the consultants, which had already been considered by the Association's Officers and discussed and informally settled between the Hon Secretary and the consultants' representative. The Council delegated to the Hon. Secretary finalisation of the discussions and conclusion of a new contract document to take effect from 1 November 2016.

Appendix 1

ALACE policy statement, October 2016

“Shared Chief Executives

An increasing number of cases where Councils are considering sharing a chief executive (C.Ex.) has led ALACE to consider how such circumstances should be viewed in relation to ALACE members (especially C.Exs. who may be affected by such proposals).

The position is contrasted with local government reorganisations which have occurred since the mid-1990s in several parts of England. In these cases, Parliament took the view that the new council should not only be at liberty to advertise nationally for the appointment of their C.Ex., but should indeed be required to do so. ALACE accepted this approach at the time as being in the best interests of the new councils, notwithstanding that ALACE members in existing authorities could thereby be disadvantaged.

The position relating to moves towards a shared chief executive appointment is, however, quite different. There is no new authority being created by Parliament: it is simply a case of two or more existing authorities making different internal arrangements. The principle of internal ring-fencing is widely accepted in reorganisations, both in the interests of authorities in retaining skills, knowledge and experience and avoiding unnecessary severance and recruitment costs, and in the interests of employees by not putting their employment in jeopardy any more than is necessary.

An added factor applying to C.Exs. (and also monitoring officers and S151 officers) in England and Wales is that they cannot be dismissed by their authorities except in accordance with statutorily defined processes – the ‘independent panel’ procedure of S.I. 2015 No. 881 in England and the designated independent person (DIP) procedure of S.I. 2006 No. 1275 in Wales. Like any trade union, ALACE is anxious to minimise the risk of its members being exposed to redundancy, particularly as this is a route to dismissal which does not require the statutory processes to be invoked.

The members affected by particular shared C.Ex. discussions may for various reasons not wish the appointment of the shared C.Ex. to be made on a ring-fenced basis, and ALACE will obviously take the views of such members into account. ALACE’s view, however, is that, in the absence of special circumstances, an appointment of a shared C.Ex. should be made from a ring-fenced group of the C.Exs. of the authorities intending to share the C.Ex.”