

EXECUTIVE COUNCIL

PUBLIC

Title: Staffing Report

Paper Number: 201/18

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Responsible Director: Financial Secretary
Director of Development & Commercial Services
Director of Natural Resources

Report Author: Director of Human Resources

Portfolio Holder: MLA Barkman
MLA Elsby
MLA Spink

Reason for paper: This paper is submitted to Executive Council:

For policy decision (including budgetary policy)

Publication: Yes

Previous papers: Exco Main Staffing Review 2018/18 & Exco Paper 77/18

List of Documents:

1. Recommendations

Honourable Members are recommended to approve:

Within Development & Commercial Services

- (a) The extension of the Deputy Director of Development & Commercial Services (Ref: 104PMG- Grade A) to three years. The post currently approved for two years.
- (b) The extension of the Head of Procurement (Ref: 104HP1 Grade A) to two years. The post currently approved for one year.

Within Treasury

- (c) The establishment of a Financial Accountant (Systems and Processes) post, (Ref: 602XFA Grade: C) currently a 1 year FTC.

- (d) The establishments of a second Company Taxation Officer post (Ref: 609XCT Grade: A) post currently established as a 1 year FTC.

Within the Natural Resources

- (e) The establishment of Programme Director post (Marine) (Grade B/A) for two years.

1. Recommendations (Continued)

Within the Mineral Resources

- (f) The establishment of a Senior Offshore Strategy Advisor post (Post Ref 620SPA) for a fixed term of 2 years. The funding for the post being drawn from the Oil Readiness Budget (Cost Centre 0997).

And

- (g) Having approved the above recommendations, refer the matter to the Standing Finance Committee for approval.

2. Additional Budgetary Implications

Given that a number of posts are proposed for a fixed term, for planning purposes costs have been assigned to the year in which they are anticipated to fall.

Development & Commercial Services

	2018/19	Recurring	2019/20	2020/21	2021/22
Operating Budget	£ 0*	£0	£0*	£89,655	£95,865

** Funding already approved*

Treasury

	2018/19	Recurring
Operating Budget	£16,785	£177,590

Natural Resources

	2018/19	Recurring	2019/20	2020/21	Total Project Cost (2 Yrs)
Operating Budget	£23,570	£0	£81,200	£60,130	£164,900

Mineral Resources

	2019/20	2020/21	Total Cost (2 Yrs)
Operating Budget	£57,030	£58,985	£116,015

3.0 Executive Summary

- 3.1 Across a number of Directorates, the need for staffing to address key operational activities has been informed by a range of service specific issues; The level of demand for a particular activity, The capacity to address strategic and operational priorities in the medium term; And a risk assessment of the impact a lack of resources would have on FIG's ability to discharge specific functions in an efficient and effective manner. As these issues call for immediate action this mid-year staffing report has been developed.
- 3.2 For ease of reporting the various requests and associated recommendations are reported by Directorates, with the detailed financial information captured in the associated sections.

4. Details

4.1 Development & Commercial Services

4.1.2 Deputy Director of Commercial Services (Post Ref: 104PMG)

With the Development and Commercial Services Directorate leading on a range of capital programmes and projects over the next 5 years, it was evident that core capacity within the directorate needed to increase to ensure the strategic and operational priorities of Government can be met. For this reason the established (yet vacant) post of Head of Programmes (Post Ref: 104PMG) which had been available for work focused on Oil and Gas initiatives, was revised and re-designated as Deputy Director of Development and Commercial Services. Recruitment to this post has been completed and a candidate selected. It is anticipated that the postholder will take up post in January 2019.

This post is established and funded for as a two year post. However, as members are aware FIG has a number of ambitious projects to complete over the next 5 years. To enable the Director of Development & Commercial Services to maintain the necessary focus on the strategic initiatives, it is requested that the approved 2 year post be extended to 3 years.

FIG's approved capital programme underpins the future development of the Islands. Therefore it is vital that we have sufficient resources in place at a senior level to ensure the strategic and operational aspects of various projects can be managed appropriately, without detriment to the delivery of day-to-day operational activities.

Financial Impact

The additional year which is proposed, will require an additional £95,865 in 2021/22 as illustrated below:

Operating Budget - Deputy DDCS	2021/22
1.0 FTE	
Salary (Grade A)	72895

RPC	819
OPC	0
Gratuity	18224
Flights	3925
Contract Allowances	0
Additional Cost (Rounded to nearest £5):	£95,865

Head of Procurement (Post Ref: 602XFA)

A procurement specialist post was established by Members in the Exco 77/17 Report. At the time it was envisaged that the development of procurement capacity could be achieved within a 12 month period. However, since then the capital programme has expanded and a review of procurement activities across FIG has been completed. The review has informed the focus of the procurement specialist, which will need to operate at senior 'Head of Service' level. The core purpose of the role will be to develop and implement a comprehensive procurement strategy and supporting policies and procedures across FIG. Tied to this the postholder will work with Directors, Heads of Service and Project Managers on a range of capital projects to ensure FIG's procurement process actively engages local suppliers and partnerships and that in all activities FIG achieves value for money through a first class strategy and plan.

This wider procurement brief calls for a seasoned Procurement Professional who can also work to influence the behaviour of international supply markets, particularly vendors in the United Kingdom, as a means of ensuring FIG is able to access goods and services competitively.

To ensure FIG's wider procurement strategy, policies and practices are fit for purpose for the longer term the postholder will also be responsible for developing our corporate procurement arrangements.

Financial Impact

The additional year which is proposed, will require an addition £89,655 in 2020/21 as illustrated below:

Operating Budget - Head of Procurement	2020/21
1.0 FTE	
Salary (Grade A)	68509
RPC	819
OPC	0
Gratuity	17127
Flights	3200
Contract Allowances	0
Additional Cost (Rounded to nearest £5):	£89,655

Options and Reasons

for Recommending Relevant Option

Option 1A

To continue with the current arrangements, in effect 'do nothing'. This is not considered an appropriate solution to best address the needs for strategic and operational management across Development and Commercial Services, and the demands for programme management and associated procurement activities across FIG. The principle of 'do nothing' will lead to the Government having limited professional capacity in place to manage the strategic and operational aspects of its capital programme over the next 5 years.

Option 2A (Officer Recommended Option)

That the recommendation for each post is approved:

- That the Deputy Director of Development & Commercial Services is changed from a 2 year funded post to a 3 year funded post.
- That the Head of Procurement post is changed from a one year funded post to a 2 year funded post.

The risk is that without competent staff in post for the duration of the proposed contracts, the concerns expressed in option one will prevail. The mix of these fixed term posts and other established roles in the directorate will provide the right balance of resources to enable immediate progress to be made on key strategic and operational priorities and the capital programme which Members have approved. The work that will be completed in 2019 will also inform the longer terms structure of programme management and procurement.

4.2 Treasury

Finance

4.2.1 In 2017 the Financial Secretary created a post of Financial Account (Systems) for a fixed term of 1 year, under his delegated powers. This action was taken to ensure immediate action could be taken to ensure work critical to the development of FIG's financial systems and processes were progressed in a timely manner.

4.2.2 An appointment was made in June 2017 and the work undertaken by the postholder so far has already contributed to system improvements. However, this work is far from complete and will, like any modern business, require ongoing development.

4.2.3 To ensure FIG has efficient systems and processes in operation to manage the day to day financial aspect of Government, it is considered necessary to establish a permanent Financial Account (Systems) post. This post will help ensure FIG has systems and processes that have appropriate resilience and are fit for purpose in a Government organisation.

4.2.4 Given that the post calls for a high level of competence within the Accounting discipline, it is envisaged that on overseas recruitment will continue to be necessary.

Financial Impact

The additional year which is proposed, will require an addition £6,400 in 2018/19 and recurring costs of £57,845.

Operating Budget - Financial Accountant	2018/9	Recurring
1.0 FTE		
Salary (Grade C)	3467	43060
RPC	63	819
OPC	0	0
Gratuity	867	10765
Flights	0	3200
Contract Allowances	2000	0
Additional Cost (Rounded to nearest £5):	£6,400	£57,845

Taxation

4.2.5 Early in 2018 the Financial Secretary (FS) identified a backlog in the enquiry work necessary in the assessment and collection of Company Tax. To ensure this issue was addressed, the FS took immediate action to secure a competent Officer (1 x FTE) to augment the existing Company Taxation Officer. The postholder took up post on May 2017. This was beneficial as the Company Taxation Officer who had been in post for 7 years, was replaced in April 2017 following their departure from the Islands at the end of their contract.

4.2.6 The two new postholders were quickly able to commence work on addressing the backlog of work and ensured the new work streams associated to company taxation were progressed in a timely manner. This work remains ongoing. To maintain progress this additional capacity is considered vital for the foreseeable future and therefore it is proposed to make permanent the second Company Taxation Officer post.

4.2.7 The proposed action will enable FIG to retain the existing temporary postholder for at least one more year and enable the work now underway to continue at an appropriate pace. This work will ensure FIG is applying the Tax Ordinance in a consistent manner.

4.2.8 Although not directly associated to the request to make this role permanent. This additional role does create a further opportunity for the development of local people. The role of Company Taxation Officer requires a high degree of technical and professional competence. However, if approved the Head of Tax will, in consultation with HR, develop a career pathway that can be made available for existing and new Tax Officers which could untimely lead to them being appointed to a key role within the Treasury Directorate.

Financial Impact

The additional year which is proposed, will require an addition £10,385 in 2018/19 and recurring costs of £69,745.

Operating Budget - Company Taxation Officer	2018/19	Recurring
1.0 FTE		
Salary (Grade C)	6003	53884
RPC	95	819
OPC	0	0
Gratuity	1501	13471
Flights	785	1570
Contract Allowances	2000	0
Additional Cost (Rounded to nearest £5):	£10,385	£69,745

Options and Reasons for Recommending Relevant Option

Option 1B

To continue with the current arrangements, in effect 'do nothing'. This is not considered an appropriate solution as the Financial Systems development work underway is already delivering a dividend in terms of improved working practices and reporting.

The work related to Company Taxation is also showing that consistent application of the Taxation Ordinance and an appropriate level of enquiry capacity is ensuring appropriate levels of tax receipt are being secured.

Without the retention of the Financial Account (Systems) all development work would stall and compromise the ongoing development of FIG's Financial Management Systems.

A move back to one Company Taxation would lead to a backlog being created and progress on securing appropriate tax receipts from Companies liable for taxation in the Falkland Islands would again be curtailed.

Option 2B (Officer Recommended Option)

That in order to ensure key aspects of operations within the Treasury are delivered as outlined above it is proposed that:

- That the post of Financial Accountant (Systems) originally established for 12 months is made permanent.
- That the additional Company Taxation Officer post originally established for 12 months is made Permanent.

4.3 Natural Resources

Programme Director (Marine)

Background

- 4.3.1 Over the past 12 months FIG has retained a consultant to progress the formation of a Maritime Authority and contribute to the updating of maritime legislation. The initial work of the Consultant was completed at the end of 2017 and a report produced in February 2018, with additional support for the Marine Officer continuing since then on an ad-hoc basis. The Consultant's report and the associated Exco Paper 81/18 were presented to ExCo on 29 August 2018, and the new Harbours and Ports Ordinance 2017 was gazetted on 1 September 2018. Making progress in this area of work is critical.
- 4.3.2 The consultant has since returned to the Falkland Islands and will be working on a discrete body of work from 5 November to 10 December 2018.
- 4.3.3 The work currently underway is focussed on:
- The designation and setting up of the Maritime Authority.
 - The Maritime Project Board in their work on the III Code ('Triple I Code') Gap Analysis;
 - The establishment of; A Pilotage Service and its associated designated area; A pilotage board; Policies; and Regulations concerning examination and qualifications of pilots and the granting of pilotage exemption certificates;
 - The provision of VTS adequate to meet the needs of the oil exploration programme and the requirements of Premier Oil,
 - The updating of the provision of surveyor services both concerning the FI registered fleet and port state control for visiting foreign ships.
 - The development of Annex A of the FI III Code Strategy, including the associated policy guidance for Port State Control, Flagging-in and RO agreements.
 - The development of drafting guidance for:
 - a. Outstanding international instruments, such as but not exclusively, the increase on the limits for the Limitation of Liability for Maritime Claims Convention 1976 and the Supplementary Fund Protocol of 2003, and
 - b. The necessary subordinate legislation regarding the Maritime Ordinance 2017 and the Harbours and Ports Ordinance 2017.
- 4.3.4 Although good progress has been made, it is now appropriate to shape how the Falkland Islands Government takes forward the Harbour and Ports Ordinance 2017 which is now in force and the Maritime Ordinance 2017, which although made is not yet in force.

- 4.3.5 Moving forward on the above work will be essential to support the development of the Falkland Islands, including the establishment of an oil industry.
- 4.3.6 The Falkland Islands Maritime Authority Service is part of the Natural Resources Directorate. Although this is workable, it will not be sustainable as our position matures.
- 4.3.7 It is therefore proposed to create the post of Programme Director (Marine) to take this forward and develop the proposals for a Maritime Authority.

4.4 Request

- 4.4.1 To establish a post of Programme Director (Marine) (2 year FTC), reporting to the Director of Mineral Resources. It is envisaged that a suitably competent individual will have extensive experience as a Master Mariner, Senior Pilot, with extensive operational marine experience. It is therefore anticipated that overseas recruitment will be required.
- 4.4.2 In creating this new Programme Director (Marine), the postholder will work to shape and develop the Marine Operations to be better aligned to the operation of a full Maritime Authority.
- 4.4.3 The postholder will also work to strengthen FIG's links with MOD and play a key role in taking forward the outcomes of a review into Fisheries operations ensuring service operations are appropriately structured to meet demand. The post will also allow the priorities of the new port development to be better aligned as part of the relevant project plan.
- 4.4.4 The creation of the new Programme Director (Marine) (2 Year FTC) role will enable the Marine Officer (Harbour Master) to focus on port marine safety and the more day-to-day operational matters of pilotage, vessel traffic services and the like.

Financial Impact

The 2 year FTC, will require an addition £164,900 for the 2 year project. The breakdown detailed below illustrates the likely annual split based on recruitment in 2019.

Operating Budget - Programme Director (Marine)	2018/19	2019/20	2020/21
1.0 FTE			
Salary (Grade A**)	15448	61790	46342
RPC	189	819	630
OPC	0	0	0
Gratuity	3862	15448	11586
Flights	1570	3140	1570
Contract Allowances	2500	0	0
Additional Cost (Rounded to nearest £5):	£23,570	£81,200	£60,130

*** Indicative Pay Grade, post will be subject to formal Job Evaluation if approved.*

Options and Reasons for Recommending Relevant Option

Option 1C

To continue with the current arrangements, in effect 'do nothing'. This is not a viable option as the Directorate would fail to; Develop FIG's Marine Operations; Develop the subordinate regulations, policies and procedure required under the provisions of the new Harbour and Port Ordinance 2017 and the impending Maritime Ordinance 2017; Maintain the necessary momentum to create a Falkland Islands Maritime Authority within an appropriate time frame.

Option 2C (Officer Recommended Option)

That a post of Programme Director (Marine) is established as a 2 year fixed term post.

The core purpose of the post being: To drive forward the development of Marine Operations, and ensure the new Harbour and Port Ordinance 2017 and the impending Maritime Ordinance 2017 are implemented effectively, and that the necessary subordinate regulations, policies and procedures are developed to enable the effective long term operation of a Falklands Island Maritime Authority.

4.5 Mineral Resources

Senior Offshore Policy Advisor

- 4.5.1 Under delegated powers the temporary post of Senior Offshore Policy Advisor was created in July 2017 (for 12 months). This post (currently filled 30 Hours per week) has been able to take forward key aspects of the policy work required as part of the development of Offshore Mineral operations. Work associated to Sea Lion progresses and as such capacity is to undertake specific policy work is critical.
- 4.5.2 To ensure the Mineral Resources Department is adequately resourced over the coming months, it is proposed to establish the above post, albeit for a maximum of 2 years. Clearly if the Sea Lion Field is sanctioned, then the Director of Mineral Resources will assess more fully the resources required within his department to take forward the various work streams. However, as there is a degree of uncertainty prior to any sanctioning, it is prudent to put in place temporary arrangements at this stage.
- 4.5.3 The aim of this early request is to ensure action can be taken to secure the current postholder in post and maintain stability during this critical development phase (over the next 6-12 months). The actual length of contract is yet to be determined but may be based on a rolling 6 month contract. This arrangement is considered suit to the postholder and FIG.

Financial Impact

The 2 year FTC, will require an addition £116,015 if filled for the full term on 37.5 Hours per week. The costs associated to this role can be covered from the Oil Readiness Budget (Cost Centre 0997).

The breakdown detailed below illustrates the likely annual split based on the post being filled for the full 2 year term. However, it is anticipated that the post would be filled on a rolling 6 month contract, and that the Director of Mineral Resources would seek the approval of a permanent role it was considered that the post was needed in the longer term.

Operating Budget - Senior Offshore Policy Advisor	2019/20	2020/21
1.0 FTE		
Salary (Grade B)***	51,670	53,447
RPC	189	189
OPC	5167	5167
Additional Cost (Rounded to nearest £5):	£57,030	£58,985

*** *The role is currently covered on a contract based on a 30 Hour working week. If this 'less than 37.7 hours week were to continue the costs in 2019/20 would be £45,625 and in 2020/21 £47,185*

Options and Reasons for Recommending Relevant Option

Option 1C

To continue with the current arrangements, in effect 'do nothing'. This is not a viable option as the work currently being undertaken by postholder plays a key role in FIG's readiness to cope post sanctioning of Sea Lion.

Option 2C (Officer Recommended Option)

The establishment of a Senior Offshore Policy Advisor post for a fixed term of 2 years from 1 July 2019. The creation of this FTC post would enable to DMR to be in a position extend the employment of the postholder in order to meet the ongoing work demands, which would be curtailed if the post ceased to be available from July 2019.

Financial Implications

The costs associated to the recommendation set out above call for a significant investment. However, in wider context of the operation of Government and the delivery of the capital programme and projects critical to the long term economic viability of the Falkland Islands, the costs are considered to be a prudent investment.

Given that a number of posts are proposed for a fixed term, for planning purposes costs have been assigned to the year in which they are anticipated to fall.

Development & Commercial Services

2018/19 Recurring 2019/20 2020/21 2021/22

Operating Budget	£ 0*	£0	£0*	£89,655	£95,865
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* Funding already approved

Treasury

	2018/19	Recurring
Operating Budget	£16,785	£177,590

Natural Resources

	2018/19	Recurring	2019/20	2020/21	Total Project Cost (2 Yrs)
Operating Budget	£23,570	£0	£81,200	£60,130	£164,900

Mineral Resources

	2019/20	2020/21	Total Cost (2 Yrs)
Operating Budget	£57,030	£58,985	£116,015

Human Resource Implications

Where posts are already filled, the postholders will be offered an extension of the contract if the contractual provisions in place provide for this. This will ensure compliance with the Immigration Ordinance. All other posts will be subject to a competitive recruitment process inline with policy, procedure and legislation. The actions proposed in this report address clear gaps in our workforce and enable the delivery of key priorities within the Island Plan.

The introduction of the proposed posts to focus on this critical work will within the Treasury, Development and Commercial Services, Natural Resources and Mineral Resources ensures FIG has sufficient capacity in place to deliver measurable corporate outcomes.

Although the proposed post within Natural Resources is designated as Programme Director (Marine) for operational reasons it is not a 'Corporate Director' role. The post is considered to be comparable to a Head of Service role and as such, if it is approved, appointment would be under the Chief Executives delegated powers.

Due to the recruitment budget now being administered centrally by HR, the cost associated to the recruitment of the Programme Director (Marine) can be covered from the existing budget.

The request for approval at this time will also help secure candidates in post at a critical time in the development of a range of initiatives.

Other Resource Implications

As recruitment is anticipated to be from overseas, access to government housing will be required. The current capacity is already under strain. As such additional housing is being secured from the private sector. The availability of housing will impact to a greater or lesser degree on when certain posts can be filled. Priority always been given to 'key work roles' (e.g. Doctors, Nurses, Clinicians, and Teachers etc.).

7.0 Legal Implications

There are no specific legal implications resulting from this report.

8.0 Environmental & Sustainability Implications

There are no environmental and sustainability implications arising from this report.

9.0 Significant Risks

The risks associated to not securing these proposed posts are set out in the relevant proposals in the report

10.0 Consultation

MLA Elsby, MLA Spink have been consulted as the Portfolio Holders and MLA Hansen have been consulted as the Deputy Portfolio Holder in the absence of MLA Barkman.

11.0 Communication

There is an ongoing dialogue with relevant stakeholders. In the case of the Programme Director (Marine) FIG maintains a strong relationship with MOD as a partner in the wider development of the Maritime Authority and port operations.