

Report of the Managing Director

SENIOR MANAGEMENT STRUCTURE

1 Purpose of report

This report makes a recommendation for amendments to the senior management structure of the council.

2 Executive summary

Following the restructure of the council's senior management structure, which was approved in April, the new management team have been focusing on the means by which the council can operate most effectively with fewer resources at the management level. This report does not propose any permanent increase to the establishment or revenue budget, but takes a pragmatic approach to the challenges faced by a reduced headcount.

3 Appendices

Appendix 1: proposed structure

4 Proposed action:

The committee is invited to RESOLVE to

- 4.1 create four Assistant Director (AD) posts at Deputy Chief Officer level with a salary band set at 60% of Chief Officer (director) salaries – £51,100 - £53,200, with the continued provision of a supplement for the Deputy S151 Officer;**
- 4.2 recruit from the pool of existing principal managers, following which the posts they vacate will be deleted from the establishment;**
- 4.3 fund 60% of the salary of the Assistant Director for property services from capital budgets for corporate projects being undertaken;**
- 4.4 note that chief officer and the chief executive terms and conditions have been varied by local agreement to incorporate provision for time off in lieu for meetings, events and other council commitments (excluding elections) outside normal office hours;**
- 4.5 note that a report from the Managing Director to a future meeting will outline the structural arrangements for the remainder of the council.**

5 Background

- 5.1 A decision was made at Council on 23 February to make the post of Chief Executive redundant. The intention was to reduce costs and therefore continue to address the council's concerns about budget pressures.
- 5.2 From 23 February a temporary management structure was put in place, which was approved as the new arrangement from 11 April. The new senior management team from that date has comprised three directors, with Mrs Elliott appointed as the Managing Director, Head of Paid Service, and S151 Officer ("the first among equals").
- 5.3 This saw a new approach to management of the council where it was acknowledged that a small workforce would be better suited to management by a team who are flexible and able to provide leadership at both operational and strategic levels.
- 5.4 As Head of Paid Service the Managing Director is empowered to put in place a structure which enables the council to deliver statutory and non-statutory services in line with council priorities. The Constitution states that "where a change to the official establishment results in an increased net cost, it shall be effected only on the authority of the Resources Committee".
- 5.5 This report sets out proposals which make further changes to the senior management structure and, whilst not making an overall increase to the budget, does propose some changes to salary funding arrangements.

6 Discussion

- 6.1 The new senior management team has now had the opportunity to assess its position in relation to the management of the council, and in the past two months has had various conversations with members, colleagues and a range of external contacts. This has led to the following conclusions:
 - (a) As the council is relatively small there needs to be resilience at the senior level; it is usually possible to ensure that at least one of the three directors is available at all times but, on occasion (eg. when there are holidays, sickness, and external meetings) this is more challenging. It would therefore be helpful to identify other colleagues who are authorised to act in case of emergency;
 - (b) In addition, it would be helpful to have a wider pool of people available to act as committee managers and (if necessary in future) directors of council wholly-owned companies;
 - (c) At least two members of the current wider management team have indicated that they intend to retire within the next two years, so a succession plan is essential in order to provide continuity;
 - (d) There has not been a significant increase in workload for the directors as a result of the redundancy of the Chief Executive, apart from the Managing Director's increased attendance at external county/regional meetings, but the Castle and the crematorium are still having a significant impact. In addition, it has become clear that members' wider aspirations in relation to the regeneration of the borough will need considerable

- senior management input;
- (e) Members have shown an interest in rekindling links with key partners in the borough: Wellingborough Homes, Wellingborough Norse, Chamber of Commerce, Town Centre Partnership, BID etc. This will need time and effort from directors if it is to succeed.
- 6.2 The Managing Director has therefore made the following proposals in relation to the structure of the council, the first four of which will need committee approval:
- (a) To create four Assistant Director (AD) posts at Deputy Chief Officer level to provide support, assistance and increased resilience for the directors. The four posts would be filled by four of the existing nine principal managers, whose posts would then be deleted, and their new salaries would be set at 60% of Chief Officer (director) salaries – a band of £51,100 - £53,200, with a supplement for the Deputy S151 Officer;
 - (b) Each AD would report to a Director, to deputise for them, but the four posts would work across services as required as part of a cohesive corporate team. The fourth AD would report to one of the directors, but in the longer term could potentially be transferred to a property company – if a value for money assessment deemed it necessary to create one.
 - (c) The AD responsible for property will be responsible for a fixed term project manager (already approved by the committee as part of the Managing Director's efficiency report) who will work on the major projects members are keen to address;
 - (d) The salary of the AD responsible for property will be part-funded via the capital project budgets (once approved), and this will enable the changes described above to be made with no increase to the revenue budget;
 - (e) Following changes to the senior management structure, as outlined above, the Managing Director will work with the new senior management team to put in place a structure which will ensure that statutory services can be delivered, together with all other priorities identified by members during the policy seminars to be held over the next few months.
- 6.3 The proposals outlined above have already been shared with the trade union and the employees of the council. This period of consultation has provided sufficient time to receive any feedback which could be relayed to members as part of this report. The consultation period ended on 9 June; the Senior Human Resources Officer has reported that she has received no comments at all, and that the union has no objection to the proposals.
- 6.4 The Constitution requires that all Chief Officer appointments be made by an Appointments Panel; if this restructure is approved, appropriate training will therefore be put in place for any potential members of the Panel who have not already received recruitment and selection training once the recruitment timetable is in place.
- 6.5 At the same time as the consultation on structure was being carried out, the union was being consulted further on the existing time off in lieu (TOIL) arrangements for senior managers. The flexible working hours scheme does not apply to any employee on chief officer or chief executive terms and conditions of employment, as the expectation is that hours will be worked as necessary to undertake the role.
- 6.6 In order to achieve an acceptable worklife balance it was therefore agreed that all officers on chief officer or chief executive terms and conditions continue to

receive TOIL (as in their previous appointments) for any meetings, events or other council commitments (excluding elections) which take place outside standard council weekday opening hours of 8.30am to 5pm.

- 6.7 Human Resources consulted the trade union on whether this local change to standard terms and conditions would be acceptable given the small management team and the requirement to attend meetings. There was no objection to this proposal, and members are therefore asked to note the change in terms and conditions applicable to all chief officer /chief executive posts.

7 Legal powers

- 7.1 The Local Government Act 1972 (s 112) states that local authorities have a duty to appoint officers as they think necessary to enable them to discharge their own functions and any functions they carry out for another local authority.
- 7.2 Section 4 of the Local Government & Housing Act 1989 requires that a council identifies an officer as Head of Paid Service to determine the organisation, structure and management of the council's officers.
- 7.3 Regulations made under the Local Government Act 2000 reinforce these duties by making the appointment of staff below chief officer level the exclusive function of the Head of Paid Service or someone nominated by him or her.

8 Financial and value for money implications

- 8.1 Whilst this report makes a proposal to create new posts of Deputy Chief Officer with an increased salary range, there is no overall increase in budgets. This is because it is proposed that 60% of the salary of the AD responsible for property be funded by capital projects, given the aspirations of members to maximise the use of property to support the revenue budget and regenerate the borough.
- 8.2 There are no other financial implications from this report.

9 Risk analysis

- 9.1 This report has identified a number of risk in paragraph 6.1 above. These are largely related to capacity, availability and succession planning, as well as visibility to key partners and stakeholders. The solution proposed seeks to mitigate those risks.
- 9.2 There is also a potential further risk relating to health and wellbeing – in that, as a small team, the need to work long hours both during the day and for out of hours meetings and events may have a detrimental effect on the management team's worklife balance. In order to mitigate this risk it has therefore been agreed – as a local agreement - that provision for time off in lieu is incorporated into chief officer and chief executive terms and conditions of employment. The appointment of ADs will assist with the mitigation of this risk.

10 Implications for resources, equalities, and stronger and safer communities

There are no direct implications for resources, equalities, or stronger and safer communities other than those already outlined above.

11 Author and contact officer

Liz Elliott, Managing Director

12 Consultees

Bridget Gamble, Director

Julie Thomas, Director

Sue Lyons, Monitoring Officer

Lorraine Coleman, Senior Human Resources Officer

13 Background papers

Consultation document circulated to employees.

Documentation/correspondence with UNISON

Appendix 1 – Proposed Senior Management Structure



