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| COUNCIL | AGENDA ITEM No. 13(ii) |
| 28 JANUARY 2015 | PUBLIC REPORT |

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SENIOR MANAGEMENT RESTRUCTURE – PHASE 2

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| R E C O M M E N D A T I O N S |
| FROM : Chief Executive |
| <p>It is recommended that Council:</p> <ol style="list-style-type: none"> 1. Notes the changes which the Chief Executive intends to make to the senior management structure of the Council. 2. Notes the proposal from the Chief Executive that she intends to establish a new post of Corporate Director: People & Communities. 3. Approves the proposed salary range for the Corporate Director: People & Communities as set out in paragraph 3 of this report. |

1. PURPOSE AND REASON FOR REPORT

- 1.1 The purpose of this report is to notify Council of the changes the Chief Executive intends to make to the senior management structure subject to paragraph 1.3 below. The Chief Executive, as Head of Paid Service, has a duty under the Local Government and Housing Act 1989 to determine the staffing arrangements necessary to deliver the Councils functions and report these to Council. This report fulfils these statutory obligations. The Chief Executive has a delegation at 3.13.2(g) of officer delegations to determine changes to the senior management structure. Employment Committee is delegated to consider and recommend actions where necessary in response to any proposals of the Chief Executive to determine changes to the senior management structure.
- 1.2 This report also seeks the approval of the Council for the salary range for the new post of Corporate Director: People and Communities which the Chief Executive is proposing to establish under her restructuring. In accordance with the Council’s Pay Policy and Guidance issued under section 40 of the Localism Act 2011, the Council is required to approve any proposed salaries of £100k or more.
- 1.3 This report is being published before Employment Committee considers the matter on 22 January 2015 and the Chief Executive formally determines the restructure, so any changes made as a result will be notified in writing to Councillors by the Chief Executive before this meeting.

2. BACKGROUND (& CONSULTATION)

- 2.1 Attached at Appendix 1 is a copy of the Employment Committee report of 22 January 2015 which sets out the original proposals for the senior management restructure published for consultation on 21 November 2014. This report also sets out the Chief Executive’s response to the points made during the consultation.
- 2.2 The proposals follow on from the first senior management restructure which was implemented on 1 November 2013 with a commitment to bring forward a second phase at an appropriate time.
- 2.3 Since the implementation of the first phase of the restructure, progress has been made as follows:

- Commissioning for adult social care, communities, public health and children has been brought together with a financial saving of £1m;
- A joint venture company has been set up to begin the regeneration of the South Bank;
- Ofsted have inspected the Council's school improvement services which were found to be effective;
- Child sexual exploitation is being tackled robustly and further improvements are in progress in children's safeguarding.
- Significant progress is being made in transforming adult social care services since their transfer back from the primary care trust.

2.4 The progress made has allowed the second phase of restructuring to commence safely which reduces the number of senior managers further, thereby offering the Council financial savings as well as embedding further the Council's approach to commissioning.

2.5 In essence the proposals seek to achieve the following:

- Bringing together the Communities, Children's Services and Adult Social Care functions into one directorate, headed by a Corporate Director: People and Communities, which will also be the Council's Statutory Director of Children's Services and Adult Social Services. By strengthening the leadership below this post, it will enable both commissioned and managed services to adults and children to be brought closer together which will be both more cost effective and will also deliver improved outcomes for children and adults.
- Devolution of the client management function to appropriate services within the Council as relationships with our main strategic partners have matured and are more secure. The consultation document outlines which services will take over the client management function. The overall accountability of these client arrangements will, however, still rest with the Corporate Director: Resources to maintain a single oversight and accountability for these partnerships.
- The creation of a new role of Assistant Director: Digital Peterborough to lead the work on the new ICT strategy and the "Gigabit City" initiative, situated within the Commercial Group within the Resources Directorate.
- The management and governance arrangements for the soon to be created Limited Liability Partnership have become clearer and the company will be supported by the Corporate Director: Growth and Regeneration for on average, one day per week and an officer from the joint venture partner Lucent will also provide part-time, strategic leadership and support to the Board of Directors.
- The functions of the Legal & Governance Directorate were recently added to by transferring the role of Assistant Director: Commercial Operations, which reported to the Chief Executive, into this directorate. By merging the communications and marketing team with this role the vacant role of Assistant Director: Communications is no longer required and will be deleted. This will create a new role of Service Director: City Services and Communications.

2.6 A key feature of these proposals are to clarify the organisational tiers and create unified job titles. It is proposed to call the tier 1 posts "Corporate Director" This is very much in line with titles used across the Local Government sector but furthermore, it also signifies the intent that these directors will work corporately across the Council in addition to managing their own directorates. In order to differentiate between these roles and roles that have a strong service leadership roles, it is proposed to create a new tier of director called Service Director. These important roles will be the most senior professional in their areas and will be responsible for ensuring quality in service delivery and outcomes in their own sphere. The role of assistant director will be retained for posts that report to a service or corporate director but have a strong leadership role for their service area. Two posts will retain the title "Director" – these are the Director of Governance and the Director of

Public Health. This title is to acknowledge the statutory nature of the roles which, whilst not responsible for a wide range of services, nevertheless have a cross cutting role and will report directly to the Chief Executive.

3. CORPORATE DIRECTOR: PEOPLE AND COMMUNITIES – JOB EVALUATION AND SALARY SCALE

3.1 One of the most significant proposals in this restructure is the creation of the role of Corporate Director: People and Communities. The significance lies in its span of responsibility as the role combines the statutory roles of Director of Children’s Services and the Director of Adult Social Services as well as neighbourhoods, housing and community safety responsibilities.

3.2 The restructuring consultation documents says this about the role:-

The benefit of this significant change is that this directorate will have a complete and single view of all commissioning and service provision for children, young people, adults and communities allowing more effective and integrated service provision to occur.

3.3 The report to Employment Committee also sets out an assurance process that has been undertaken in respect to this role and restructure set out at paragraph 3.2 of that report. The assurance process was undertaken by Russell Wate, Independent Chair of the Peterborough Children’s Local Safeguarding Board and resulted in a report which is attached at Appendix 2. His conclusion is:-

The test of local assurance for the corporate director for people to include as part of their role to the post holder for DCS and DASS is passed. The Peterborough City Council can be reassured that the structure proposed has the necessary strengths and supports to deliver these statutory roles.

NB DCS = Director of Children’s Services, DASS = Director of Adult Social Services

3.4 In accordance with the Council’s approved pay policy and its revised salary scales, the role of Corporate Director: People and Communities has been independently evaluated by the Hay Group in accordance with the Council’s Pay Policy. The role has been given a Hay point score of 1628 which places it within pay band 2 (£127,014 - £155,250 per annum).

3.5 Likewise, in accordance with the Council’s Pay Policy, where a salary is over £100,000 the salary must be approved by Council, hence this report.

3.6 No appointment has yet been made to this new role and the delegation to make such an appointment rests with Employment Committee in accordance with the Council’s employment policy. In order to assist Council’s deliberation on this matter, salary information from other Council’s recently appointing to these kinds of roles are set out below. Council will note that the salary scale within which this new role falls is in line with those salaries.

| Council | Population (000’s) | Salary | Role |
|----------------|--------------------|----------|---|
| Milton Keynes | 255 | £134,999 | Director of Children’s Services only |
| | | £130,000 | Director of Adult Social Services only |
| Leicester City | 329 | £130,000 | Director of Adult Social Services only |
| | | £123,321 | Director of Children’s Services |
| Coventry | 312 | £134,295 | Combined Director of Adult Social Services/ Director of Children’s Services |

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| Bath & NE Somerset | 176 | £137,932 | Combined Director of Adult Social Care/ Director of Children's Services |
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3.7 As Employment Committee has not yet appointed to this role and therefore it is unclear as to what knowledge, skills and experience the successful candidate might have, the Employment Committee has the ability to award a salary within pay band 2 according to the candidate's knowledge, skills and experience providing that Council approve this pay band.

4. IMPLICATIONS

4.1 **Financial** – Overall, the second phase of the restructure will save over £500,000 per annum. This is on top of the £1million saving achieved in the first phase implemented from November 2013. This was achieved through a restructure of roles and a move towards the council becoming a commissioning organisation, in particular within the Communities Directorate established at that time. In total, the two phases will save over £1.5million.

4.2 **Legal and Human Resources** - Government guidance issued under section 40 of the Localism Act 2011 states that "full council should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. The Secretary of State considers that £100,000 is the right level for that threshold to be set." The Council's Pay policy also states that Full Council is responsible for approving salary packages of £100,000 before they are offered in respect of a new appointment. The Employment Committee has delegated power to determine the salary within the approved grade upon appointment to the role.

4.3 The Chief Executive has a delegation at 3.13.2(g) of officer delegations to determine changes to the senior management structure and, as Head of Paid Service, has a duty under s.4 Local Government & Housing Act 1989 to determine the staffing arrangements necessary to deliver the Council's functions. The Head of Paid Service must also prepare a report to Council setting out the staffing structure which is contained in this report. The Council has a duty to consider the report.

4.4 Consultation has been undertaken in accordance with legal requirements and Council policies.

4.5 **Equalities** – The post of Corporate Director: People & Communities has been evaluated using the Hay job evaluation scheme. This scheme is considered to be the most objective and bias free job evaluation scheme in respect of senior management posts. Recruitment to the post will be carried out in accordance with appropriate Council Policies.

5. BACKGROUND DOCUMENTS

5.1 Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

- Council Pay Policy 2014/15
- Report to Council 9 October 2013
- Report to Council 16 April 2014
- DCLG Guidance – Openness and Accountability in Local Pay – Issued February 2012.

Appendix 1 Report to Employment Committee 22 January 2014

Appendix 2 – Local Test of Assurance