

Gloucester City Council

Meeting:	Special Organisational Development Committee	Date:	26 June 2014
Subject:	Senior Management Team Staffing Structure		
Report Of:	Leader of the Council		
Wards Affected:	n/a		
Key Decision:	No	Budget/Policy Framework:	No
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Appendices:	None		

FOR GENERAL RELEASE

Note: The special circumstances for non-compliance with Access to Information Rule 5 and Section 100B (4) of the Local Government Act 1972 (as amended) (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that it was necessary to consider feedback from the Local Government Association prior to finalising the report.

1.0 Purpose of Report

1.1 To seek approval to recruit to the Director of Resources post and update Members on the proposed interim arrangements for the structure of the Senior Management Team following the departure of the Corporate Director of Resources on 30th June 2014.

2.0 Recommendations

2.1 Organisational Development Committee is asked to approve the following recommendations:-

- (1) The post of Corporate Director of Resources be advertised and recruited to.
- (2) The Head of Paid Service role is assigned solely to the Corporate Director of Services & Neighbourhoods from the 1st July 2014 following the departure of the Corporate Director of Resources.

3.0 Background and Key Issues

3.1 Following the announcement of the Corporate Director of Resources that he would be leaving the Council on 30th June 2014, options have been considered regarding the future structure of the Senior Management Team.

3.2 A straightforward replacement of the Corporate Director of Resources is recommended. This approach is supported by the Local Government Association

(LGA) and the approach clearly fits with the recommendations of the LGA Peer Challenge team, regarding consistency of leadership and stability within the organisation.

- 3.3 The allocation of the S151 Officer responsibilities to the Head of Finance, as approved by full council on 9th June 2014, will allow more time for the new post holder to support the Council's regeneration agenda and oversee the broader transformation of the Council, as it removes the need for the post holder to have a finance background – enabling the council to draw from a wider pool of expertise to fulfil the role. The LGA have confirmed that they will support the Council in adopting this approach. They have also offered support in the recruitment and selection process including shortlisting, and an assessment centre.
- 3.4 The LGA have helpfully provided information and arranged discussions with other councils who have chosen not to appoint a Chief Executive Officer (CEO), preferring instead to assign the functions of the CEO to their existing Senior Management Team.
- 3.5 Following a Peer Challenge review in 2011, and the subsequent retirement of their CEO, South Hams & West Devon Council now has a Senior Management Team comprising of two Corporate Directors (Director of Community and Director of Resources). The Director of Community is also the Head of Paid Service.
- 3.6 South Hams & West Devon Council has also delegated the functions of the S151 officer to the Head of Finance & Audit, with the Monitoring Officer role being undertaken by the Head of Legal Services.
- 3.7 This model of management mirrors the current arrangements in place at Gloucester City Council. Their Director of Community oversees all front line service delivery and their Director of Resources manages the organisations transformational change programme and all back office functions.
- 3.8 Following the Peer Challenge Review here at Gloucester City Council, transformational change was to be a key element of the Director of Resources role moving forward. The City Council has a proven track record in this area, for example, using innovative contracts with the private sector (The Gloucester Model) and the move towards shared services. However, there is still much to do both in terms of service redesigns, efficiency gains, Value for Money and further partnership contracts and joint arrangements with other councils.
- 3.9 Members will be aware that the Council has a statutory duty under Section 4, Local Government and Housing Act 1989 to designate a Head of Paid Service. Whilst this is usually a role undertaken by a Chief Executive this statutory function can be any officer within the Council other than the Monitoring Officer.
- 3.10 The Head of Paid Service has a duty, where they consider it appropriate to do so, to prepare a report to the Council setting out their proposals in respect of any of the following matters:
 - The manner in which the discharge of the different functions of the Council is co-ordinated
 - The number and grades of staff required by the Council for the discharge of its functions

- The organisation of the Council's staff and;
- The appointment and proper management of the Council's staff.

- 3.11 Following the deletion of the Chief Executive Post, as agreed by Organisational Development Committee on 24 March 2014 it was subsequently agreed by Council that the statutory Head of Paid Service role became the responsibility of both of the Corporate Directors on a shared basis (for an initial period of 6 months).
- 3.12 Given that the Corporate Director of Resources will be leaving the Council on 30th June 2014 it is proposed that the Director of Services & Neighbourhoods undertakes the role of Head of Paid Service moving forward, for the remainder of the trial period.
- 3.13 Members will be aware from the report of 24th March 2014, that this approach to Senior Management of the organisation is now increasingly common place across a wide range of Local Authorities. The LGA have helpfully confirmed that they are keen to work closely with the Council in support of this option, to enable the approach to succeed. This support will include helping to develop success criteria and to review the arrangements during the trial period to ensure that there is necessary senior officer capacity in place for both the short – medium and longer term.
- 3.14 Remuneration for the Corporate Director roles is being externally evaluated, by the HAY group, taking account of the additional roles and responsibilities following the deletion of the CEO post. This process will also take account of market rates in comparison to other councils. The LGA are overseeing this process and endorse the approach being taken.

4.0 Alternative Options Considered

- 4.1 At the Council Meeting on 27th March 2014, Members requested a review of the senior management arrangements of the Council after a six month trial period. However, following the announcement of the Corporate Director of Resources that he has secured a promotion as Director of Finance at Bristol City Council, succession arrangements need to be put in place.
- 4.2 Sharing a Chief Executive or Corporate Director of Resources with another District is not considered to be a viable option at this time. Gloucester is unique in its demography, issues and needs when compared to the other Districts in the County. The recent appointment of the Head of Regeneration coupled with the consultancy expertise that exists within the organisation means that the Council is well resourced with expertise around the regeneration agenda. Other large scale strategic projects, such as the stock transfer to Gloucester City Homes are budgeted for and support can be brought in as and when required to support Cabinet and officers. Sharing Senior Officer roles would undoubtedly produce savings but any partner District is likely to expect to be reimbursed for their Chief Executive or Senior Management Teams time and may not provide the level of input required to make any significant impact.
- 4.3 Appropriate levels of support will need to be provided to the remaining Corporate Director until an appointment is made into the Director of Resources post as staff from across the organisation will invariably look to him for support and guidance.

However, the recently appointed 'Heads of Services' will be expected to take greater ownership of their service areas and provide wider corporate management support across the organisation.

- 4.4 A review of the 'Two Director Model' is currently underway. This will look at how the arrangements have worked to date, following the departure of the CEO. The results of this review will be reported to Group Leaders at their meeting in July.

5.0 Reasons for Recommendations

- 5.1 With the imminent departure of the Corporate Director of Resources there is a clear need to act quickly. Recruitment to such an important post will inevitably take time and the loss of such a key officer from the organisation, without a clear plan for replacement, will impact on a wide range of projects being delivered.

6.0 Future Work and Conclusions

- 6.1 The existing workload of the CEO has been shared between the Corporate Directors and specific roles clearly defined. Support to the Mayor at Council meetings will be provided by the Head of Legal and Policy Development. Managerial reporting lines for staff will continue as now with the Corporate Director of Services & Neighbourhoods providing support to the Heads of Service within the Resources portfolio until the post has been appointed to.
- 6.2 The ongoing support offered to the Council by the LGA as outlined in paragraph 3.12 will be taken up, to ensure a perspective is maintained for both the short-medium and longer term. Support has also been offered by Peter Jones from Gloucestershire County Council and arrangements are currently being finalised.

7.0 Financial Implications

- 7.1 There are some financial implications associated with the realignment of the Corporate Director posts and the designation of the S151 officer to the Head of Finance and these are currently being finalised. However, the Senior Management Team saving identified within the Money Plan and Budget 2014/15 (Budget Savings Narrative, appendix 3) at £100,000, will be achieved.

8.0 Legal Implications

- 8.1 The Council has a statutory duty under Section 4 Local Government and Housing Act 1989 to appoint a Head of Paid Service and these arrangements fulfil that duty.

9.0 Risk & Opportunity Management Implications

- 9.1 There are minimal risks associated with this report as appropriate support will be provided to services until the post of Corporate Director of Resources has been filled.
- 9.2 These new arrangements will bring stability to the staff and allow Senior Management to focus on delivering the priorities of the Council. The arrangements will continue to be reviewed on an ongoing basis.

10.0 People Impact Assessment (PIA):

10.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

11.0 Other Corporate Implications

Community Safety

11.1 There are no issues arising from this report.

Sustainability

11.2 There are no issues arising from this report.

Staffing & Trade Union

11.3 These arrangements will bring stability to staff following a period of change and realignment of Management structures and service delivery.

Background Documents: None