

# TELFORD & WREKIN COUNCIL

CABINET - 10<sup>th</sup> NOVEMBER 2011

## REVIEW OF SENIOR MANAGEMENT STRUCTURE

### REPORT OF THE HEAD OF GOVERNANCE

#### PART A – SUMMARY REPORT

##### 1.0 SUMMARY OF MAIN PROPOSALS

- 1.1 To present to the Leader and Cabinet, for consideration, the review of the senior management structure that the Interim Chief Executive was tasked with undertaking and to consider arrangements for the recruitment of the proposed Managing Director post.

##### 2.0 RECOMMENDATIONS

- 2.1 Cabinet considers the review and, if appropriate forwards comments for consideration by Council when it considers the review on the 24 November 2011;
- 2.2 Cabinet passes any comments on the recruitment proposals contained in Appendix 1 to the Personnel Board when it considers the recruitment process for the Managing Director in December 2011;
- 2.3 Agrees the proposed salary scale for the new post as detailed in paragraph 4.6;
- 2.4 Agrees the continuation of the interim arrangements including re-affirming that the Interim Chief Executive is expected to implement the proposed re-structure, taking into account any comments that Council might have; and
- 2.5 Note the proposed savings of £406,000 which the proposed review of the senior management team will deliver on an on-going basis.

##### 3.0 SUMMARY IMPACT ASSESSMENT

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	The role of Managing Director and Head of Paid Service will be responsible for ensuring the economic, efficient and effective delivery of the Council's priorities and statutory duties.
	Will the proposals impact on specific groups of people?	
	Yes	Yes, it has a direct impact upon members of the senior management team
<b>TARGET COMPLETION/DELIVERY DATE</b>	Appointment of the Managing Director by the 18 January 2012. It should be noted that the proposed timescale for the appointment of the Managing Director brings an end to the post of Interim Chief Executive at the earliest opportunity.	

<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes	<p>The budget for salary, on-costs and essential car-user allowance of the substantive Chief Executive post is £192,930pa. The proposed salary for the Managing Director post is £137,000 with no essential car user allowance. Including on-costs, the total budget for the proposed Managing Director post will be £176,500 which represents a saving of over £16,000 or 8.6%.</p> <p>In total, with the reduction in the number of Corporate Directors, the reduced salary of these posts, the withdrawal of essential car user allowances from the Corporate Directors together with the net reduction in the number of Assistant Directors (Heads of Service) of 2 fte's, a total saving from this re-structure of just over £400,000 pa will be generated.</p> <p>Total reductions to the cost of the senior management structure of the Council will then be in excess of 50% compared to 3 years ago.</p> <p>Recruiting internally, if there is a suitable candidate, will save the Council in the region of £30,000 in advertising and search costs.</p>
<b>LEGAL ISSUES</b>	Yes	<p>Full Council must approve the proposed appointment of a role that includes the designation of Head of Paid Service in order that the organisation swiftly moves to the new model.</p> <p>Cabinet members must also have the opportunity to object to any proposed appointment before the offer of appointment is made.</p> <p>Council must also designate an officer to be the Monitoring Officer, s.151 Officer, Electoral Registration Officer and Returning officer to meet the authority's statutory requirements under electoral law.</p>
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	<p>The appointment process proposed is in accordance with the Council's Constitution and Recruitment and Selection Policy which takes account of Council policies on equality and diversity.</p>
<b>IMPACT ON SPECIFIC WARDS</b>	Yes	<p>The review proposals potentially affect all wards equally.</p>

## **PART B) – ADDITIONAL INFORMATION**

### **4.0 INFORMATION**

- 4.1 Richard Partington was appointed Interim Chief Executive with effect from 1 August 2011. In addition to his strategic responsibilities as Interim Chief Executive he was given the specific remit of undertaking a review of the senior management structure and making recommendations for moving away from the traditional "Chief Executive" model and facilitating the development of a co-operative council model of service delivery.

- 4.2 The appointment was originally envisaged to be made on a part-time basis (3 days per week) with the appointment planned for 6 – 9 months, with reviews taking place in November 2011 and February 2012. Cabinet Members should note that, as this was an internal recruitment the post was, in the end, filled on a full-time interim basis by averaging out the advertised salary of the Interim Chief Executive and the pro rata substantive salary of the successful candidate; the Assistant Chief Executive. Accordingly the authority secured a full time Interim Chief Executive for no extra cost, representing further good value for the authority. In addition the residual hours of the Assistant Chief Executive and previous Chief Executive were not filled. There was provision in the original terms of reference for a review of these arrangements in November 2011.
- 4.3 The Interim Chief Executive was due to make initial recommendations to cabinet in early October, and final recommendations by the 21 October 2011. A draft copy of the review was provided to the Leader in accordance with this timescale. This report provides an update on progress against the timetable and constitutes the November review of the appointment.
- 4.4 A copy of the review (and terms of reference) is included at Appendix 1. Members are asked to note that, in accordance with the agreed terms of reference for this review a copy of the report will also be going to Council for consideration
- 4.5 This review will constitute most if not all of the consultation documentation for those employees affected by the proposals contained in the review. It is proposed that the Managing Director role be advertised internally immediately after full Council.
- 4.6 Key recommendations in the report include:-
1. The creation of a full time post of Managing Director on a salary of £137,000 (£12,000 below that of the previous Chief Executive);
  2. A net reduction in the number of Corporate Directors by one and a proposed reduction in salary for all Corporate Directors from £119,000 to £109,600pa;
  3. The re-designation of Heads of Service to Assistant Directors with no increase in salary;
  4. A reduction in the number of Heads of Service (Assistant Directors) and the identification of two part time, specialist positions, a net reduction of 2 posts at this level;
  5. The re-shaping of responsibilities and a comprehensive programme to achieve the aims of the Co-operative Council;
  6. Re-shaping the Local Strategic partnership structure better to enable delivery of key priorities and to address key issues in the Borough;
  7. Putting in place arrangements to seek to address poverty and social exclusion within our communities;
  8. Proposals to improve the support provided to all Borough Councillors; and
  9. A stronger organisational focus on delivery and excellent customer service.
- 4.7 Cabinet are asked to consider the report and agree the recommendations and make any comments that it considers should be taken into account when Council considers the report on the 24 November 2011. Particularly the Cabinet are asked to consider the recruitment proposals and pass any comments on it to the Personnel Board when it considers the process in December 2011.

- 4.8 Council, when it considers this report, will be asked to agree in principle that a further report be brought back to its meeting on 18 January 2012 detailing the required constitutional changes for approval, the linking of the Head of Paid Services role and Returning Officer and Registration Officer with the role of Managing Director, agreeing any recommendation from the Personnel Board regarding the appointment of the successful candidate into the role of Managing Director, agreeing the designations of Monitoring Officer and Chief Finance Officer to the newly created posts.

## **5.0 PREVIOUS MINUTES**

- 5.1 Minutes of the Cabinet meeting held on the 7 July 2011, the Personnel Board Meetings held on 19 July and 26 July 2011 and Council on the 28 July 2011.

## **6.0 BACKGROUND PAPERS**

- 6.1 None

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