

MINUTES OF JNC SALARIES AND CONDITIONS PANEL

Wednesday, 30 November 2016
(6:00 - 6:40 pm)

Present: Cllr Darren Rodwell (Chair), Cllr Cameron Geddes, Cllr Rocky Gill, Cllr Kashif Haroon, Cllr Dominic Twomey and Cllr Maureen Worby

Apologies: Cllr Saima Ashraf

5. Declaration of Members' Interests

There were no declarations of interest.

6. Private Business

It was resolved to exclude the public and press from the remainder of the meeting by reason of the nature of the business to be discussed which included information exempt from publication by virtue of paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

7. Proposed Revisions to Senior Management Structure

The Chief Executive introduced the report putting forward further changes to the senior management structure to progress the Council's Ambition 2020 proposals and recommendations of the Growth Commission agreed by cabinet in July 2016, building on the changes presented and agreed by the Panel on 17 November 2016.

The proposals amend the existing organisational structure at Strategic Director level by creating a Chief Operating Officer and deleting the Strategic Director posts of Finance and Investment and Customer, Commercial and service Delivery. In addition, the following new posts at Director level will be created, two of which will be permanent and two fixed term:

- Director: My Place
- Director: Community Solutions
- Commercial Director: Traded Services (fixed term up to one year)
- Commercial Director: Public Realm (fixed term up to two years)

These posts will form an integral part of both the transformation of services and the Council's future operating model, and as such are necessary to deliver the Council's medium term financial plan and budget reductions of £47m through to 2020/21, as agreed by the Cabinet in November 2016.

The Chief Executive explained that the changes to the structures will along with the voluntary severance scheme, retirements and resignations, exceed his commitment of reducing the cost of senior management by at least £1m by the end of 2016/17, and which will reduce the need to achieve further savings in the coming year.

The Chief Executive then summarised the proposals for each post as follows:

- (a) Chief Operating Officer – The financial and operational performance of the organisation are closely linked and therefore it is important that the oversight of both areas falls within the remit of one Strategic Director through merging the role of Finance and Investment (including the statutory Section 151 responsibilities) with that of Customer, Commercial and Service Delivery.

The remaining elements of the Strategic Director of Finance and Investment responsibilities will be shared amongst the Senior Management team on the basis a further review of the posts and roles of Strategic Directors will take place in the Summer of 2017.

- (b) Director: My Place – this permanent post will be responsible for looking after and managing the Council's property and assets portfolio and related contracts. The role is linked to the Council's Investment Strategy and will work closely with Reside. At the point that My Place goes live then the post of Operational Director: Housing Management will be deleted.
- (c) Director: Community Solutions – this permanent post will manage a large multi-disciplinary operational staff group which will provide the Council's initial response not only to those residents seeking information, advice and guidance but importantly to those residents facing challenging and at times high risk situations where more intensive support and intervention may be required. The post holder will need to ensure continuous improvement by rethinking and then implementing changes in roles, working practices, culture and services to meet changing resident needs and public sector responsibilities with a clear ethos of 'helping people to help themselves'.
- (d) Commercial Director: Traded Services - A great deal of work has been undertaken on the viability of a new commercial entity that will generate income through offering competitively priced services to schools and other customers, and one which is commercially sustainable. Once the new vehicle has been created its Management Board will create a role for its Managing Director and therefore for that reason it is proposed that the post will be for a fixed one year term only.
- (e) Operational Director: Public Realm- the current Clean and Green areas are to be divided into three distinct service blocks, each to be commissioned through My Place. This post will be responsible for creating and performance managing the new service blocks to deliver the service levels required and embed an effective response to commissioning. This is a significant change in focus and will mean a shift in culture alongside developing new processes and procedures. The new role will be for a fixed two-year term and its creation will result in the deletion of the existing post of Operational Director: Clean and Green. Longer term, the post will be managed through My Place.

In summing up, the Chief Executive explained that all the staffing changes will in the short term be cost neutral, and that the report represents the start of the Council's normal change procedure. Subject to approval, the formal consultations

with the staff affected and trade unions will begin on the proposals including the new job descriptions as set out as appendices to the report.

In response, Members of the Panel asked several questions for clarification, the summary and officer responses to which were:

- It would have been helpful especially for the non-Cabinet Members of the Panel to have seen an organisational chart (now and proposed) to be able to see where the changes are being made. The Chief Executive agreed to circulate charts to all members of the Panel and will ensure future reports to this Panel include relevant organisational charts for ease of reference.
- In respect to the role of Chief Operating Officer the Chief Executive explained the assimilation process will apply to the two-affected current Strategic Directors, both of whom are qualified accountants, a requirement in relation to the role of the statutory Section 151 responsibilities. The existing post of Finance Director will deal with the day to day financial management of the Council reporting to the Chief Operating Officer who will be required to demonstrate financial credibility, deal with commercial operations and performance management.

The Deputy Leader and Cabinet Member for Finance added that whilst the sound financial management of the organisation will be essential the remit of the post is much broader in terms of the customer interface and that he had been reassured that the management structure proposed was fit for purpose in terms of delivering the Council's future operating model. The post holder will be required to increase investment whilst seeking to drive down demand; a combination of skill sets that are not standard in local authorities.

Slight reservations were expressed about the post of Commercial Director: Traded Services in the context of the poor track record of local authorities of competing with similar posts in the private sector. The Chief Executive reiterated that it was for that reason the post was for a fixed one-year term to be paid on a daily rate. Once the new company is established it will be for that commercial board to appoint a Managing Director on a competitive salary.

Despite the assurances given, Councillor Gill did not support the merging of the role of Finance and Investment (including the statutory Section 151 responsibilities) with that of Customer, Commercial and Service Delivery. Councillor Gill also did not support the remaining staffing proposals as he felt that there was insufficient information available. Consequently, a vote was taken and, by a majority 5-1 decision with Councillor Gill voting against all the recommendations, the Panel **resolved** to:

- (i) Approve the creation of the following new posts:
 - Chief Operating Officer;
 - Director: My Place;
 - Director: Community Solutions.
- (ii) Approve the creation of the following fixed term positions:
 - Commercial Director: Traded Services (one-year fixed term);
 - Operational Director: Public Realm (two-year fixed term).

- (iii) Note the indicative grades / salaries for the above posts as detailed in the report and authorised the Chief Executive to determine the final grades / salaries in line with the Council's job evaluation scheme;
- (iv) Approve the deletion of the following posts:
 - Strategic Director: Finance and Investment, with effect from 1 January 2017;
 - Strategic Director: Customer, Commercial and Service Delivery, with effect from 1 January 2017;
 - Operational Director: Clean and Green, with effect from 1 April 2017;
 - Operational Director: Housing Management, on the go live of My Place.
- (v) Approve the assimilation of existing post holders in accordance with the Council's assimilation procedures; and
- (vi) Note that the appointments not subject to assimilation rights would be considered by the JNC Appointments Panel in due course.