

SENIOR OFFICER STRUCTURE REVISIONS

Cabinet Member: Cllr Clive Eginton, Leader
Responsible Officer: Stephen Walford, Chief Executive

REASON FOR REPORT:

To modernise the senior officer structure and allow for changes to terms and conditions that strengthen the link between performance, delivery and members' ability to hold their senior officers to account. And to amend annual leave entitlements as part of ongoing employee relations.

RECOMMENDATION TO CABINET:

1. That the Chief Executive revises the staffing structure of his most senior staff as per this report.
2. That, subject to any issues raised during consultation, the Chief Executive and the three Director posts are moved to a 'spot point' system on a 'whole time' basis and that the stated 37 hour week and rights to TOIL/flexi-time are contractually removed.
3. That the assessment and appraisal mechanism of the Chief Executive AND the three Director posts is linked to achievement of the council's corporate plan and that any future pay/reward element is determined (locally) by the Cabinet, having mind to the national pay offer where appropriate, and the input of opposition group leaders.
4. That pay levels of the revised posts are set in consultation with SW Councils, will not exceed their current position relative to other Devon Districts, and that decisions on any future pay increases for the Chief Executive/Director posts are reported to full council within the annual Establishment Report to ensure full transparency.
5. That revision is made to contractual annual leave allowances for all staff, subject to consultation with the union, to recognise the longstanding 'extra' day that has been given to staff due to the closure of offices over Christmas.

Relationship to Corporate Plan: The senior officer structure is responsible for delivery of these priorities as well as working with members to help inform future target/objective-setting.

Financial Implications: A number of structural models were considered. The option that would have achieved financial neutrality was discounted in early discussions with the Leader/Deputy Leader as it was felt that the organisation would benefit from

a period of stability, and that the cost of any redundancy was taking an overly short-term view. As such it is proposed that the financial implications are neutral over the MTFP period, allowing for post deletions due to natural wastage over that timeframe.

Legal Implications: None. All statutory responsibilities will be encompassed within the redesigned roles.

Risk Assessment: Low; it is expected that all the changes can be made on an elective basis, i.e. without any imposition. It is also expected that the new structure will positively address risks around retention by creating a number of roles that allow for some career progression for the incumbent postholders.

1. BACKGROUND

- 1.1 Since arriving in post, the Chief Executive has reviewed the current makeup of his direct reports. This has resulted in a desire to address some of the organisational 'anomalies' that have occurred as a result of past decisions and responsibility-remnants of previously-deleted posts being divided across all remaining postholders, as opposed to grouping similar functions together.
- 1.2 This has been recognised within the current management team structure and all incumbent postholders are aware of the need for change. All other restructures within the organisation have been put on hold pending the realignment of the senior officer structure, in order that any resultant changes can be cascaded with as little disruption to staff as possible.

2. THE PROPOSAL

- 2.1 No redundancies are proposed as part of this restructure. This was an important aspect in early discussion with members, who feel that a period of stability will be of benefit. This also means that it is not intended for any redundancy costs to be incurred. Again, this has been an issue in recent years where perception has been that redundancy costs have been incurred unnecessarily.
- 2.2 The senior management structure of the council currently consists of the Chief Executive and 7 direct reports*.
 - Head of Finance (*and Waste*)
 - Head of Human Resources (*and Leisure*)
 - Head of Housing and Property
 - Head of Communities & Governance (*and Economy*)
 - Head of Planning & Regeneration
 - Head of Customer Services
 - Head of IT*

* The Head of IT post was reported in the latest 'Establishment Report' in March 2016, but the postholder left MDDC at the end of March 2016. The responsibilities of this post are currently being undertaken by the Head of Customer Services on an interim basis, pending this senior officer restructure.

- 2.3 The proposed new posts draw a distinction between the strategic leadership requirements of officers leading the organisation and the operational Heads of Service that currently make up the management structure. It also groups similar functions together and elevates three posts to provide leadership resource in direct support of members and the Chief Executive. The proposed new posts are as below:

Director of Finance, Assets and Resources
Director of Corporate Affairs & Business Transformation
Director of Operations

The remainder of the current management team structure will continue in their roles, with responsibilities revised if necessary, but commensurate to their grade. However, the exact structure cannot be described at this point as it is not yet known who will apply for, or be successful, in securing the new roles. The new posts will be ring-fenced to the current management team.

3. OPTIONS

- 3.1 In local government, cross-authority working and strategic partnerships are likely to be vital to the efficient delivery of public services over the foreseeable future. To this end it was considered prudent to explore the structural makeup of neighbouring and other District Councils in order to take this opportunity to align with other structures if appropriate.
- 3.2 The majority of Districts within Devon operate broadly the same senior structure with either four or five direct reports to the Chief Executive including a Deputy Chief Executive role. It was felt that the role of a Deputy (with commensurate pay levels) could not be justified given the additional cost, so this does not feature in the proposed structure.
- 3.3 A fourth leadership (Director) post was considered, similar to other authorities. However it is proposed that the Chief Executive post retains the directorial leadership remit for planning, regeneration and growth. This saves the cost of a potential fourth leadership post, and mirrors the role of the Exeter City Council head of paid service, which has the title of Chief Executive and Director of Growth.
- 3.4 There is an expectation that the council's most senior staff work the hours necessary to perform the role effectively. It is therefore proposed that these new posts do not benefit from a 37 hour contractual working week, but that they are guided by the relevant EC working time directive - being mindful of the 48 hour limit. Furthermore, there will be no accrual of time above these limits or 'time off in lieu' (TOIL).
- 3.5 On pay levels for its senior posts, Mid Devon ranks 4th of the 7 Devon District Councils¹ (and 4th of 4 among the Greater Exeter District Authorities). Pay

¹ West Devon DC and South Hams share a staffing structure (so while there are 8 Districts, there are only 7 officer structures).

levels significantly below average could lead to recruitment and retention issues, while pay above the Devon District average could be harder to justify as value for the taxpayer. Therefore, whilst Mid Devon wishes to be a place that is attractive to recruit and retain employees, it is proposed that when benchmarking the new posts they retain this relative position.

- 3.6 Decisions on any future pay increases will be linked to achievement of the council's corporate plan objectives and will be determined (locally) by the Cabinet, having mind to both the national pay offer where appropriate, and the input of opposition group leaders.
- 3.7 The level of annual leave entitlement is set by the nationally-agreed 'green book' of terms and conditions outlining the minimum entitlement, although provisions exist for local authorities to be more generous if desired. For many years (15+) the council has closed between Christmas and New Year and has 'given' an extra day to facilitate this. It is intended to start consultation with the union with the intent of embedding this extra day within the contractual entitlement of staff (triggered as a result of deciding to remain open this year).

Contact for more Information: Stephen Walford, Chief Executive

Background papers: None
Circulation of the Report: Cabinet