



Chester-le-Street
District Council

Report to: Chester-le-Street District Council
Appointments Panel

Date of Meeting: 8 November 2007
Box 13

Report from: Roy Templeman
Chief Executive

Title of Report: Changes to the senior management
structure

1. Purpose and Summary

- 1.1 This report brings to Members my recommendations for changes to the senior management of the Council following the departure of four members of the Corporate Management Team to new positions outside the Authority. It recommends changes to certain job responsibilities and acting up arrangements that has regard to the impending Local Government Review, savings to address budgets for 2007/8/9 and the need to provide continuing direction and management of the Council.
- 1.2 This report asks Members of the Appointments Panel to consider my recommendations and in turn make recommendations to Council on the changes to the senior management structures and financial implications.

2. Background

- 2.1 Members will be aware that the current Director of Community Services has been successful in securing the position of Chief Executive of the 'shadow' Cestria Housing Association. He will following the transfer of the Council's housing stock be leaving the Authority to take up this permanent position. His position will no longer be required by the Council as the functions for which he was formerly responsible will transfer.
- 2.2 The Director of Resources has also been successful in securing the Director of Finance position for Cestria and will be leaving her current position at the time of transfer. Clearly the Resources Directorate remains and the Council needs to consider the management of that Directorates services and strategic advice to Council.
- 2.3 The Head of Organisational Development has been successful in securing a promotional position to a Metropolitan Authority in the North East and will be leaving the Authority in December. The Head of Regeneration has

also been successful in securing a promotional post working for a private organisation funded by the Regional Development Agency.

- 2.4 Clearly all four senior managers from the Council's Corporate Management Team have been very successful in securing their positions and will be a great loss to the capacity of the Council. Their individual and collective responsibilities have been key to the strategic management of the Authority and the improvements we have made. The very nature of our success has in no small way lead to the current status and regard that external organisations have for the managers within the Authority and this success has in part lead to the current situation.
- 2.5 In relation to the Director of Resources, Head of Organisational Development and Head of Regeneration positions, I have explored a number of options to consider how the gaps can be filled prior to making the following recommendations to Members. These are broadly:-
- a. Sharing strategic resources with other Councils
 - b. Interim Management arrangements
 - c. New appointments
 - d. Acting up arrangements with Heads of Service and changed responsibilities with other members of CMT
- a. It has not been possible to identify appropriate sharing of resources that would be available and serve the interests of the Council for the interim cover likely until May 2009 (proposed timescale for formation of the Durham Unitary Council). This option would also have reduced potential to maximise savings to assist in the Council's budget considerations.
- b. Interim management is costly and is (apart from some specialised advice that is likely to be needed in the forthcoming months in HR and Finance) unlikely to provide more overall capacity than the acting up arrangements proposed within this report.
- c. A new appointment process would have considerable merit and would be my preferred choice if the Council were not part of the proposed Local Government Review and formation of a Unitary Council. Whilst there is a Judicial Review appeal pending the position regarding it's success is not certain. It is however essential that the Council secures the capacity it needs now to manage services and yet has regard to the Governments intention to continue with reorganisation. It is unlikely that an appointment process for permanent positions at this level would secure the calibre of candidates required by the Council whilst such uncertainty remains. A new appointment to the positions covered within this report would have the potential to create future redundancy issues with associated costs.
- d. Acting up arrangements has the advantage of providing continuity of support for the Council and at the same time has regard to the likelihood

of changing priorities for the Council over the next 18 months. It has the advantages of drawing upon the strengths of managers who have been part of the Council's cultural and organisational development and also provides a further development opportunity for those selected. It also realises substantial savings to assist the Council in the 2007/8/9 budget and unlike option c, does not increase the likely redundancy costs and pension strain for a new Council.

- 2.6 Given the above options, I am recommending to Members that certain changes are made to CMT responsibilities and an appointment process is conducted to select managers to 'act up' in relation to specific and Directorate / Corporate responsibilities. I would further recommend that part of the savings realised is used by the Chief Executive in consultation with the Leader to appoint specialist advice as may be necessary (up to a ceiling figure) to support the Council in delivering its service priorities over the next year.

3. Consultation

- 3.1 Initial discussions have taken place with the Leader of the Council and with managers in the Regeneration, Resources and Human Resources / Health and Safety teams. Managers and staff involved in those consultation meetings have been fully supportive of these proposals and have given a unanimous commitment to support the future management arrangements if Members were to agree to these recommendations.

4. Corporate Plan and Priorities

- 4.1 Clearly the Assistant Chief Executive and existing Heads of Service have been fundamentally involved in both the development and delivery of the Corporate Plan and priorities. It is likely that the Council will need to re focus its priorities for the next 18 months to address the proposed changing environment in which we work. One of the benefits of drawing upon the expertise and skills of our existing managers is their demonstrable and externally accredited ability to continue to improve the services we deliver to our communities.

5. Legal

- 5.1 There are no legal implications associated with this report

6. Personnel

- 6.1 The appointment of managers to the roles outlined within this report have been discussed with the managers directly involved in the related service areas and with the Head of Organisational Development. As more than one manager has expressed an interest in the acting up arrangements prior to Member consideration of this report, the appointment of managers in Regeneration and Resources is proposed to be subject to an interview involving the Chief Executive and Head of Organisational Development.

7. Diversity

- 7.1 Our managers have been part of the Council's Equality and Diversity training and the selection process will take into account the need for managers to promote the Council's values in employment and service delivery.

8. Other Services

- 8.1 Other services will need to draw upon the expertise of managers in the services covered by this report. Managers being considered for these posts will need to demonstrate their commitment to corporate working and the flexibility to adapt to changing circumstances and priorities.

9. Risk

- 9.1 It is key that the Council considers the strengthening of its capacity to manage the services covered in this report and with the loss of strategic managers working with Members and CMT, the need to strengthen corporate working following the departure of the existing CMT members. The issue of organisational and financial risk has been key in shaping my views on the options available in bringing this report to Members for their consideration.

10. Crime and Disorder

- 10.1 The Regeneration team responsibility includes community safety and services to respond to anti social behaviour. CMT will be considering how we can maintain and improve our response to these service areas with the Regeneration and Neighbourhood Management teams.

11. The proposals

- 11.1 The following are the proposed changes to CMT and Head of Service responsibilities.
- 11.2 That the current Assistant Chief Executive whilst retaining his current responsibilities, takes over responsibility for the management of the HR and Health and Safety section. The substantive responsibilities will remain unchanged but in recognition of this new responsibility and the personal support he will be giving to the Chief Executive in the process of Local Government Review, it is recommended that the post is re designated as Director of Corporate Services with an appropriate recognition in grade.

Whilst we have an excellent professional HR and Health and Safety team, it is likely that we may need specialised advice in strategic HR issues from time to time for which a budget needs to be allocated.

- 11.3 Following initial expressions of interest for the acting up positions in the Resources Directorate and Regeneration, that the process of selecting a manager in each of these areas is continued to appoint one manager in Resources and Regeneration to coordinate and deliver the day to day management of the Directorate / Department. The services in these areas have excellent managers and staff who have demonstrated their ability to be adaptive and innovative in driving forward improvements and supporting the Authorities corporate objectives. The post holders would also assist in providing corporate support working with CMT but it is likely that both areas will need further strategic support and direction to be provided by the Chief Executive.

Managers acting up in these positions will also be the main interface with Members and Portfolio holders in terms of the overall work of the Directorate/Department. Clearly this does not apply to the position of Section 151 Officer who would, with the support of the Chief Executive, take responsibility for advising Council on strategic finance issues.

- 11.4 The current deputy 151 officer be appointed as the Council's 151 officer. The post holder will work closely with the Chief Executive and Corporate Management Team and is likely to need to draw on specialist support for specific project work (for example the closure of the HRA account).
- 11.5 In addition to the specific proposals above, I have discussed the need for all Heads of Service and Senior Managers to be in a position to work more flexibly because of the likely additional pressures, responsibilities and changing priorities that the process of County wide reorganisation may bring. As a reflection of the major improvements that are embedded in the Council's working, I am pleased to say that there is a clear acceptance and willingness expressed by managers to work in this way to support the Authority through the major changes proposed with the minimum of disruption to services.

As part of these proposals I intend to place the joint working of the Corporate Management Team and Corporate Support Team (Heads of Service) on a more structured basis to form a wider management team that will meet together on a monthly basis.

12. Financial Implications

- 12.1 The overall budgets (salary plus on costs) associated with the current positions of Director of Resources, Head of Organisational Development and Head of Regeneration is £248k. The cost of the proposals within this report covering new appointments, responsibilities and acting up arrangements is £35k giving a net annual revenue saving to the Authority of £213k.

It is proposed that out of this budget saving, that a provision of £50k is made for the procurement of specialist advice to support these management arrangements. It is further proposed that the Chief

Executive is responsible for this budget subject to the procurement of such specialist advice being agreed with the Leader/Deputy Leader of the Council.

13. Recommendations

13.1 Members of the appointments panel are asked to:

- a. Consider this report and approve or amend the proposals contained within section 11 and the financial implications in section 12.

Subject to a, recommend to Council:-

- b. the revised responsibilities and designation of Director of Corporate Services and the appointment of the current Assistant Chief Executive to that position.
- c. Approval of the appointment of the current Deputy 151 officer to the position of the Councils 151 officer.
- d. Authorisation of the Chief Executive to continue with the appointment process for the acting up arrangements in the Resources Directorate and Regeneration.
- e. That part of the savings (with a ceiling of £50k) be specifically earmarked for the Chief Executive to use as appropriate to procure specialist expertise that may be necessary to support the Council over the next 12 to 18 months. The use of this fund would be subject to agreement with the Leader/Deputy Leader of the Council.
- f. That net annual revenue savings generated by the approval of the report (and subject to recommendation e. above) of £163k be utilised to address budget pressures in the 2007/8 and 2008/9 budgets.

14. Background Papers

14.1 There are no background papers.

Roy Templeman
Chief Executive

30 October 2007