

# Item 8

REPORT TO COUNCIL

27 FEBRUARY 2007

REPORT OF THE CHIEF EXECUTIVE

## STRATEGIC LEADERSHIP PORTFOLIO

### DELEGATED AUTHORITY FOR THE CHIEF EXECUTIVE TO AMEND FORMAL ORGANISATION (STAFFING) STRUCTURES BELOW CHIEF OFFICER LEVEL

#### **1 SUMMARY**

- 1.1 Research into this and other Councils' establishment control arrangements has recently been undertaken by the Head of Organisational Development. This has identified that the limited responsibility currently delegated to the Chief Executive for amending the Council's organisation (staffing) structures is relatively inflexible and needs to be revisited so that appropriate staffing changes can be effected more quickly and efficiently in a climate of ever increasing change.
- 1.2 The report recommends that the level of authority delegated to the Chief Executive be extended to cover all posts below Chief Officer level.

#### **2 RECOMMENDED**

- 2.1 Council delegates authority to the Chief Executive to amend the Council's formal staffing structures below Chief Officer level in accordance with the specific safeguards and limitations set out in this report.
- 2.2 The Council's Monitoring Officer be directed to make all necessary changes to the Constitution.

#### **3 AMENDMENTS TO STAFFING STRUCTURES**

##### **3.1 Current Arrangements**

- 3.1.1 Currently the Chief Executive can amend the Council's staffing structures for posts graded Scale 6 and below. This is a relatively fast process that involves the appropriate Head of Service preparing a proposal detailing the reasons for and rationale underpinning the requested change. This is then considered by their Director and then (if supported by the Director) considered and approved or denied by the Chief Executive. Where changes result in increased costs the Chief Executive refers them to Cabinet for approval.
- 3.1.2 Changes to staffing structures involving posts above Scale 6 but below Chief Officer level currently have to be approved by Cabinet via a formal report and following consideration by Management Team. This process often takes two or more months to complete.

3.1.3 Changes at Chief Officer level (Directors and Heads of Service) are usually only made following a major restructure and require both Cabinet consideration and formal approval by Full Council.

### 3.2 The Case For Change

3.2.1 Research into this and other Councils' establishment control (restructuring) arrangements has recently been undertaken by the Head of Organisational Development and has identified that the limited responsibility delegated to the Chief Executive for amending Sedgefield's staffing structures below Chief Officer level is less flexible and takes significantly longer to effect at the senior/principal officer levels than many other local authorities in the region.

3.2.2 Furthermore, the currently limited level of delegation is different to the level of responsibility delegated to officers for the recruitment and selection of employees, which extends to all appointments below Chief Officer level<sup>1</sup>.

3.2.3 Importantly, the Council is currently undergoing a significant period of change that is likely to accelerate in the coming months and years as a result of an increased focus on efficiency and customer-focussed services and related external drivers such as ...

- ⇒ Local Government White Paper (Strong and Prosperous Communities)
- ⇒ Transformational Government Strategy
- ⇒ Lyons Review
- ⇒ Varney Review

3.2.4 In order to meet these challenges through an effective and appropriately structured workforce the Council needs to bring its establishment control (restructuring) arrangements into line with those of other progressive local authorities in the region.

### 3.3 Safeguards And Limitations

3.3.1 The Organisational Development Section plays a major role in managing changes to the Council's establishment by working closely with senior managers, Heads of Service and Directors in designing staffing structures and preparing 'fit for purpose' job descriptions and person specifications. Moreover, since the introduction of a Single Status Agreement in March 2006, the Head of Organisational Development independently and consistently determines the grades of posts in accordance with the national Job Evaluation scheme that underpins this agreement. The Financial Services Section also contributes to the process by costing proposed establishment changes.

3.3.2 These significant safeguards are already in place and together with the Chief Executive's formal approval of staffing changes will ensure effective establishment control in the future. As such it is proposed that authority to change staffing structures below Chief Officer<sup>2</sup> level be delegated to the Chief Executive – but it is considered that the following limitations should also be introduced/formalised ...

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<sup>1</sup> Recruitment and selection arrangements have recently been improved through the extension of notice periods for employees graded above Scale 6 from one month to two months. This change comes into effect in April 2006 and will enable the Council to recruit to a post before the existing postholder leaves it – thus ensuring greater continuity of service.

<sup>2</sup> Directors and Heads of service are employed on Chief Officer terms and conditions – referred to as the Chief Officer level.

- ⇒ The Chief Executive (in consultation with the Head of Organisational Development) should consider changes to staffing structures involving posts at Scale 6 or below via a report and/or correspondence.
- ⇒ Management Team should formally consider changes to staffing structures involving posts at SO1 to PO5 via a formal report incorporating “tick box” checks from the Chief Executive, Section 151 Officer, Monitoring Officer and the Head of Organisational Development.
- ⇒ Where a proposed increase in grade is the direct result of changes to duties and responsibilities and/or required skills, experience, qualifications etc. and has been confirmed via a job re-evaluation, the Chief Executive (Scale 6 and below) or Management Team (SO1 to PO5) should have the authority to approve changes providing there are no significant budgetary implications. However, where the Chief Executive and the Portfolio Holder consider such changes to be significant, they should be referred to Cabinet for consideration/approval.
- ⇒ All other staffing structure changes that result in an increase in costs (funded and/or mainstream) should initially be considered by Management Team and then referred to Cabinet for consideration/approval regardless of the grades of affected posts.
- ⇒ In other circumstances the Chief Executive and the Portfolio Holder may deem it appropriate to refer to Cabinet establishment changes that do not increase costs. Such circumstances may include changes<sup>3</sup> ...
  - with an authority-wide impact
  - involving the sharing and/or joining of services with other local authorities
  - that are considered to be of significant public interest
  - in response to an external driver (such as an independent inspection)

#### **4 RESOURCE IMPLICATIONS**

Although the proposals set out in this report impact directly on arrangements for amending the Council’s staffing establishment, there are no financial and human resource implications associated with the procedural changes being recommended.

#### **5 CONSULTATIONS**

- 5.1 Twenty four north east councils (excludes towns and parishes) were contacted as part of the research undertaken by the Head of Organisational Development in preparing this report – twelve (half) of which provided details of their establishment control arrangements. This research revealed that eight (or two thirds) do not require elected member approval to change staffing structures. However, of these eight, seven require elected member approval (at Cabinet or Committee level depending on political management arrangements) when changes increase costs.
- 5.2 The Director of Resources, Monitoring Officer and Head of Organisational Development have contributed to the preparation of this report and Management Team has endorsed the report’s recommendations.

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<sup>3</sup> This list is not exhaustive.

## **6 OTHER MATERIAL CONSIDERATIONS**

### **6.1 Links to Corporate Ambitions/Values**

The external drivers referred to at paragraph 3.2.3 will impact directly on the Council's corporate ambitions and values and the proposed establishment control changes will ensure that the Council's staffing structures are geared towards their achievement at all times.

### **6.2 Risk Management**

The Council faces the risk of failing to deliver efficient, customer-focused services if its structures are not fit for purpose – and the proposals set out in this report are designed to mitigate this risk. Furthermore, the safeguards and limitations that are also being proposed will ensure that all establishment changes are appropriate, justified and affordable.

### **6.3 Health and Safety**

No additional implications have been identified.

### **6.4 Equality and Diversity**

The Head of Organisational Development is responsible for the administration and maintenance of the Council's Single Status Agreement (and the national job evaluation scheme on which it is based). This ensures consistency and equality in the Council's establishment control arrangements.

### **6.5 Legal and Constitutional**

The Council's Solicitor advised that this Report be considered by Cabinet prior to Council approval. Changes to the Constitution will also be required to reflect these proposals.

### **6.6 Procurement**

No additional implications have been identified.

### **6.7 Other**

No other material considerations have been identified.

## **7 OVERVIEW AND SCRUTINY IMPLICATIONS**

None has been identified.

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**Wards:** Proposals are not ward specific

**Background Papers:**

Sedgefield Borough Council's Constitution

Single Status Agreement

Sedgefield Borough Council, UNISON and GMB – March 2006

Service Transformation: A Better Service For Citizens And Businesses, A Better Deal For The Taxpayer

Sir David Varney – December 2006

Well Placed To Deliver? Shaping The Pattern Of Government Service

Sir Michael Lyons – March 2004

Transformational Government Strategy

Cabinet Office – November 2005

Local Government White Paper (Strong and Prosperous Communities)

Department of Communities and Local Government October 2006

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**Examination by Statutory Officers**

**YES**                      **N/A**

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| <b>1</b> | The Council's Head of the Paid Service or his representative has examined the content. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <b>2</b> | The Council's S.151 Officer or his representative has examined the content.            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <b>3</b> | The Council's Monitoring Officer or his deputy has examined the content.               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| <b>4</b> | The Council's Management Team has examined the content.                                | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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