

Report to:	Chief Officer Employment Committee
Relevant Cabinet Member	Councillor Simon Blackburn
Date of Meeting :	16 November 2015

CHIEF OFFICER STRUCTURE REVIEW

1.0 Purpose of the report:

- 1.1 To present to the Committee proposals for a review of the Council's senior management arrangements.

2.0 Recommendation(s):

- 2.1 To agree a revised Chief Officer management structure for the Council, (to be distributed at the meeting as Appendix B) to be implemented by the Chief Executive and agree the proposed resulting impact of that structure on the chief officer pay and grading arrangements to take effect from the 1 December 2015.
- 2.2 To delete the post of Assistant Chief Executive (Built Environment).
- 2.3 To continue consultation regarding the proposed deletion of the post of Deputy Director of People Services – Education and delegate authority to the Chief Executive after consultation with the Director of People to agree terms if appropriate in accordance with standard practice or report back to this Committee if appropriate.
- 2.4 To note the deletion of the post of Head of Early Help and Head of Children's Social Care and confirm the creation of the post of Deputy Director of People – Children's Social Care and Early Help, as a Chief Officer post, which has been evaluated as within the pay range of chief officer posts in accordance with the council's pay policy.
- 2.5 To refer to Council for ratification the posts of Chief Executive, Director of Public Health and Director of People whose posts in line with the Council's Pay Policy statement remuneration packages will be over £100,000.
- 2.6 To recommend Council to confirm that Delyth Curtis be designated as statutory Director of Children's Services and Karen Smith statutory Director of Adult Services on a permanent basis.
- 2.7 To delegate powers to the Chief Executive to keep under review on an annual basis the need for market supplements that apply to chief officer posts in the Children's Services department.

2.8 To note the comments of Hay with regards to transformation, prevention and commissioning in their report and to ask the Chief Executive to work with the Corporate Leadership Team to determine the most effective way to take the need for focus in these areas forward in the Council's structure given the complex landscape that exists which requires the Council to work in partnership with others in all these areas.

3.0 Reasons for recommendation(s):

3.1 In February 2015, a report was presented to the Committee which explained that a number of temporary changes had taken place over the previous year in relation to the Council's senior management structure, namely the secondment of a chief officer to Blackpool Coastal Housing Ltd and the interim arrangements put in place following the resignation of the previous Director of Children's Services.

The Chief Executive emphasised the importance of continuing to review the chief officer structure in line with ongoing budget pressures but also highlighted the need to establish a structure for the organisation that was fit for purpose and allowed the retention and attraction of a strong senior management team. He also highlighted that the statutory posts of Director of Children's Services (Delyth Curtis) and the Director of Adult Services (Karen Smith), in particular, were subject to a high level of challenge and external scrutiny in terms of performance. Members are reminded that Council approved these statutory appointments on a temporary basis until the end of November 2015, as part of this review.

Members also considered the proposal for commissioning the Hay Group, as a specialist service that has had experience of working with the Council in respect of the chief officer core, to work with the Chief Executive in reviewing the senior management structure.

Members agreed that the Chief Executive should commission such support from the Hay Group and that a paper should be presented which detailed their findings together with a report from the Chief Executive, for a revised Chief Officer structure, reflecting these findings and the future priorities and challenges of Blackpool Council. It was originally planned to present this report in June but that was not possible given the need for consultation.

3.2a	Is the recommendation contrary to a plan or strategy adopted or approved by the Council?	No – although the salary for the positions of Chief Executive, Director of Public Health and Director of People need Council ratification.
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3.2b Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Council Priority:

4.1 The relevant Council Priority is to deliver quality services through a professional, well-rewarded and motivated workforce.

5.0 Background Information

5.1 Attached at Appendix 3(a) is a summary of the report from the Hay Group which outlines their observations and findings having reviewed the Council's senior management structural arrangements and had discussions with the Chief Executive, chief officers and members of the senior leadership team.

5.2 Based on the findings of the report and his knowledge of the most appropriate way to deliver the best possible outcomes for the people of Blackpool, taking into account the Council's priorities and the challenges faced, the Chief Executive proposes a senior management organisation structure, which will be presented to the committee as Appendix 3(b).

5.3 Additional Posts to be Included within the Chief Officer Structure

Following the restructure of Children's Social Care, the post of Head of Early Help has been disestablished (as approved in 2015/ 2016 budget). The Early Help service has now been brought together with the social care service and will be managed by one new post of Deputy Director of People – Children's Social Care and Early Help. This post has been evaluated by Hay as falling within the Chief Officer grade as a result of this amalgamation of two roles into one and with the deletion of the Head of Early Help, has created a saving for the Council.

5.4 Posts to be Removed from the Chief Officer Structure

The Committee approved the changes to Chief Officer structure on 17 June 2014, this included the secondment of the then Assistant Chief Executive for Built Environment, John Donnellon, to Blackpool Coastal Housing Limited. The proposed structure permanently deletes this post from the Council's management structure. This change saved £120,000 in 2015/ 2016 and is reflected in the current budget position.

5.5 The Director of People has undertaken a review of how the Council delivers on its education role in light of the changing landscape, with a majority of the schools now academies and the setting up of the Blackpool Challenge Partnership with the Regional Schools Commissioner. Consultation has commenced on a proposal to remove the post of Deputy Director of People – Education and provide support and challenge to schools in a different way.

5.6 The Chief Executive recognizes the need to ensure a fair and equitable salary structure for senior managers that allows the Council to attract and retain talented individuals who can develop, support and deliver the organisations aims, taking cognisance of the financial situation that the council faces and the issue of affordability. At Appendix C is a proposed pay and grading structure for chief officers. This proposed pay arrangement is based on the following principles:

- The minimum salary for the post is based on the lower quartile salaries for posts with the same level of responsibility in the market.
- The maximum salary for the post is based on the median salaries for posts with the same level of responsibility in the market.
- Normal arrangements will apply for grade assimilation as for all employees – i.e. post holders will move to the nearest point from their current grade and pay protection arrangements applied as for all employees if necessary.

5.7 The salary structure review does not include the Chief Executive post, but it is proposed that the current grade range of £137,840-161,560, that includes 8 spinal column points is reduced to contain 5 SCPs to match the other Chief Officer posts and the new grade range is therefore reduced to £137,840-151,396. The Chief Executive has for the last four years taken a reduction in pay beneath the bottom point for the role on the basis of a personal agreement which has now ended.

Does the information submitted include any exempt information?

Yes (Appendices D and E) which include personal information relating to individuals under Description1 of Schedule 12 A to the Local Government Act 1972 (as amended)

List of Appendices:

Appendix 3(a) - Summary of Hay Report

Appendix 3(b) – Senior Management Organisation Structure (to be circulated at the meeting)

Appendix 3(c) – Proposed Pay and Grading Structure for Chief Officers.

Appendix 3(d) – Detailed Proposal regarding the Deputy Director of People (Education) (includes exempt information) – to be circulated at the meeting.

Appendix 3(e) – Hay Report - Review of Senior Management Structures (includes exempt information).

6.0 Legal considerations:

6.1 Equal Pay considerations are at the heart of all processes connected with structures, responsibility and pay grade. This independent review process by an organisation that are well established for their gender bias free pay evaluation model is recommended as a means of ensuring that all proposals in this regard are free of gender bias.

6.2 The Council's current Pay Policy Statement states that "appointments made to posts with a remuneration package of more than £100,000 being ratified by Council".

7.0 Human Resources considerations:

7.1 The Chief Executive, chief officers and senior managers were consulted in the development of the Hay report by members of the Hay group.

7.2 The Trades unions have been invited to comment on their position on the matter of chief officer pay in advance of the publication of this report and are of the view that the Council allows for officers duties to be reviewed as part of its Job Evaluation scheme and this same opportunity should therefore be available to Chief Officers.

8.0 Equalities considerations:

8.1 Please see legal considerations above

9.0 Financial Considerations:

9.1 Over the past 4 years, the cost of senior management to the organisation has reduced by £3 million.

9.2 Implementing this new chief officer structure will save £33,000 in the year 2016/2017 and will allow for a possible investment of £60,000 in alternative education provision to be discussed with the Schools Forum.

10.0 Risk management considerations:

10.1 The Council must have a senior management structure that enables it to deliver services and outcomes for the people of Blackpool in line with the Council Plan. It needs to attract and retain talented people in a difficult market, particularly given the very difficult financial climate in which it operates. The risks associated with having a weak management team are significant in terms of service failure.

10.2 The Council operates in a difficult financial climate and must consider affordability in determining its arrangements for senior officers and their pay. This must however be balanced in such a way that is fair in terms of equal pay legislation and enables the attraction and retention of talent and meets the Council's obligations in terms of equal pay.

11.0 Internal/ External Consultation undertaken:

11.1 Consultation has been undertaken internally within the Council and with the recognised trades unions.

12.0 Background Papers

12.0 None.