

Report of the Chief Executive to the meeting of Council to be held on Tuesday 18 October 2016

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Subject:

Salary packages for the two new Strategic Director posts in the new Senior Management Structure

Summary statement:

Council is asked to approve the salary packages for the new posts of Strategic Director Place and Strategic Director Corporate Services in accordance with Article 4 of the Council's Constitution and Section 7 of the Council's Pay Policy Statement 2016/17.

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Chief Executive

Portfolio: Leader

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Improvement Area: Corporate



1. Summary

Council is asked to approve the salary packages for the new posts of Strategic Director Place and Strategic Director Corporate Services in accordance with Article 4 of the Council's Constitution and Section 7 of the Council's Pay Policy Statement 2016/17.

2. Background

- 2.1. A critical role for the Council in the future will be to influence and lead the development of the district. In future the Council's most senior managers will be regarded as the strategic commissioners of services and activities within a resource envelope, these services and activities will be focused upon the achievement of outcomes for the city and district. Managers at head of service level will be responsible for the operational management and delivery of services.
- 2.2. The Council's budget required that a saving of approximately £167k be achieved by reducing senior management costs. This was a saving identified over two years, £87k in 2015/16 and £80k in 2016/17 budget proposals.
- 2.3. The Chief Executive currently has 12 direct reports which is not typical of the usual arrangements in councils. It is important that any Chief Executive of a large and complex organisation devotes the overwhelming majority of their time to strategic management responsibilities, and directly manages those staff that are key to delivering these responsibilities.
- 2.4. At the meeting of the Executive on 20 September 2016, Executive approved a new senior management structure for the Council. This structure when implemented will see the deletion of the posts of Director of Finance, Strategic Director Regeneration, Strategic Director Environment and Sport, Assistant Director Communications, Assistant Director Commissioning and Procurement and Assistant Director Policy, Programme and Change. The structure creates 4 new posts of Strategic Director Corporate Services, Strategic Director Place, Assistant Director Office of the Chief Executive and Assistant Director Finance and Procurement. The post of Assistant Director Estates and Property will directly report to the Strategic Director Corporate Services.
- 2.5. The post of Strategic Director Corporate Services will incorporate the responsibilities and functions of the Chief Financial Officer / Section 151 Officer. Council will be asked to designate the post of Strategic Director Corporate Services as the Council's Section 151 Officer / Chief Financial Officer.
- 2.6. The changes to the senior management structure will:
 - Deliver more coherence in the context of the strategic commissioner model.
 - Reduce the number of direct reports to the Chief Executive to give an appropriate span of control.
 - Have a tightly focused and coherent top management team that works effectively with the political leadership of the Council that will be fundamentally

important to the success of the Council.

- 2.7. The new structure is attached at Appendix 1.
- 2.8. The Council's current Pay Policy Statement for 2016/17 was approved by full Council on 22 March 2016. This policy sets out the Council's policy on remunerating Chief Officers. A copy of the Council's Pay Policy Statement for 2016 / 2017 is appended to this report as Appendix 2.
- 2.9. In accordance with Article 4 of the Council's Constitution, Section 7 of the Council's Pay Policy Statement and the Officer Employment Procedure Rules full Council must approve any salary package of £100,000 pa or more before it is offered in respect of a new appointment. The salary package is defined as base salary, routinely payable allowances and any benefits in kind that are due under the contract.
- 2.10. In accordance with section 4 of the Pay Policy Statement the posts of Strategic Director Corporate Services and Strategic Director Place are graded at Strategic Director 1 with a salary level of £131,483 - £137,845 (SD1). As detailed in the Pay Policy Statement Chief Officers (Strategic Directors are Chief Officers) are appointed pursuant to the terms and conditions of employment of the Joint Negotiating Committee (JNC) for Chief Officers as amended and supplemented by local agreements and decisions. Other aspects of Chief Officer remuneration are set out in Appendix A of the Pay Policy Statement (Appendix 2 of this report).
- 2.11. At the meeting of Executive on 20 September Executive approved both the grade for these two posts as SD1 and the salary ranges (£131,483 - £137,845) noting that the salary packages are subject to full Council approval.
- 2.12. The Council's Assimilation, Redeployment and Redundancy Procedure for JNC Chief Officers for Senior Management Restructures (15 January 2013) applies to this restructure.

3. **Options**

- 3.1 That Council approves the salary packages for the posts of Strategic Director Corporate Services and Strategic Director Place as detailed in paragraph 2.10 above.
- 3.2 That the salary packages are not approved and Council instructs officers to prepare alternative proposals.

4. **Financial and resource appraisal**

- 4.1 It is proposed that the appointment of the Strategic Director Corporate Services and Strategic Director Place be in accordance with the provisions of the Council's Pay Policy Statement as set out in paragraph 2.10 above.
- 4.2 The new senior management structure will see a deletion of six management posts replaced with four new posts which includes the two new posts of Strategic Director Corporate Services and Strategic Director Place. At the top point of the grades this will lead to a saving of £181.2k p.a.

5. Legal appraisal

5.1 Section 112 of the Local Government Act 1972 allows the Council to appoint such Officers that it thinks necessary for the proper discharge by the Authority of its duties. Such officers shall hold office on such reasonable terms and conditions as the Council thinks fit.

5.2 The Council's Pay Policy Statement for 2016/2017 sets out the Council's policy on remunerating Chief Officers. Under this Policy and in accordance with Article 4 of the Council's Constitution and the Officer Employment Procedure Rules, full Council must approve any salary package of £100, 000 per annum or more before it is offered in respect of a new appointment.

6. Other implications

6.1 None

7. Trade Union Implications

7.1 The Trade Unions (Unison and GMB) have been consulted on the proposals for the senior management restructure and on the grades for the new posts. The Trade Unions raised no objections.

8. Not for publication documents

8.1 The Not for Publication report "W" considered by the Executive on 20 September 2016 on the grounds that the report contains exempt information within paragraphs 1 (Information relating to an Individual) 2 (Information identifying an Individual) and 4 (Labour Relations, Consultations or Negotiations) of Schedule 12 A of the Local Government Act 1972 (as amended) and the public interest in applying this exemption outweighs the public interest in disclosing the information.

9. Recommendations

9.1 That Council approves the salary packages for the posts of Strategic Director Place and Strategic Director Corporate Services as detailed in paragraph 2.10 of this report.

10. Appendices

Appendix 1 – Senior Management Structure 2016.

Appendix 2 – The Council's Pay Policy Statement – 2016 / 17.

11. Background Documents

The Council's Assimilation, Redeployment and Redundancy Procedure for JNC Chief Officers for Senior Management Restructures (15 January 2013).