

COUNCIL

2nd JULY 2020

Report of the Chief Executive

STRATEGIC DIRECTOR RECRUITMENT

PURPOSE OF REPORT

The report sets out the Chief Executive's proposals to realign organisational resources in order to ensure that the Council is adequately resourced to deal with existing and future priorities and challenges.

RECOMMENDATION

That approval be granted for the implementation of Option 2 as outlined at Section 4 of the report, to facilitate the restructure of the Corporate Leadership Team, reducing the number of service departments from 6 to 5 and the recruitment of two Strategic Directors utilising external recruitment consultants.

STRATEGIC LINK

The appointment of Strategic Directors would provide capacity to support and deliver the ambitions set out by Members in the Corporate Plan 2020-2024.

1 BACKGROUND

- 1.1 As Head of Paid Service, it is my responsibility to inform Council of the staffing resources required to discharge the functions of the authority. It is also my responsibility to reflect upon the future ambition of the Council and advise whether we have the resources in place to deliver on the collective ambition of the Council.
- 1.2 Since 1st April 2014, the Council has delivered over £2.7m of savings and efficiencies and has fundamentally reviewed its approach to service delivery in order to deliver a balanced budget every year. This is against a backdrop of increasing demands for services both from residents and Members. In 2012, the District Council employed 391 staff. Today we employ 213. Excluding the outsourcing of the Leisure Service, the organisation today has more than 40 fewer staff supporting the delivery of services than it did in 2012.
- 1.3 Whilst the reduction in headcount has been necessary in order to deliver balanced budgets whilst seeking to minimise the impact upon our communities, there has been a significant impact upon staff in terms of customer expectations, increased workload and wellbeing.

- 1.4 At the meeting of Council on 16th January 2020, Members considered the Chief Executive's proposals to realign organisational resources in response to a number of staffing changes in order to ensure that the Council is adequately resourced to deal with existing and future priorities and challenges.

As part of that report, Council resolved:-

1. That Council support the principle of appointment to the post of 'Corporate Director' and that it is included within the draft budget for 2020/21 and the updated Medium Term Financial Plan at 'Corporate Director' (Grade CO2) which gives a salary scale range of £78,225 - £83,013 (or £100,461 - £106,683 including on-costs) and that a further report be presented to Council on the precise details and proposed recruitment process for this position.
 2. That the Chief Executive undertakes a review of existing roles and responsibilities within the Corporate Leadership Team in order to maximise strategic capacity to deliver on the Council's priorities.
- 1.5 Following the Council meeting, discussions have taken place with all service directors through 1:1's and / or PDR discussions. The views of individuals have been invited on how the structure of the organisation could be revised in order to meet future priorities and to provide additional strategic capacity in response to the recommendations of the Peer Review. The remainder of this report outlines the Chief Executive's proposals for member consideration.

2. CORPORATE PEER CHALLENGE

- 2.1 The final feedback report following the Local Government Association (LGA) Corporate Peer Challenge undertaken 22nd – 24th October 2019, acknowledged that the District Council has a good understanding and appreciation of its local context and is focussing on continually improving local community relationships. The Council is also regarded as an effective leader of the district by partners who attest to the authority being a good partner to work with. Underpinning all of our activities is a consistent record of good financial management. The Council, therefore, has a very strong foundation to build upon.
- 2.2 However, the key recommendations outlined to the Council as part of the LGA Peer Challenge report also offer a series of constructive challenges on the Council's need to:-
- Develop a strong narrative and vision for the area that is owned and understood by Members, Officers and key stakeholders.
 - Ensure the new Corporate Plan is forward looking and takes account of the potential for a fresh approach which is collectively owned and resourced.
 - Ensure that our commercialisation approach is sufficiently clear, ambitious and realistic.
 - Consider its own skills base and investment capability to promote jobs and business growth.

- Engage with strategic and local organisations to build trust and community capacity to advocate for and deliver on important initiatives.

3 ORGANISATIONAL STRUCTURE AND CAPACITY

- 3.1 The role of the Corporate Leadership Team is to develop and implement the Council's approved policies commensurate with the achievement of the Council's overall aims, objectives and priorities. CLT also discuss key issues affecting the management of the organisation and consider other internal control issues including risk management, performance management, compliance, efficiency and value for money and financial management.
- 3.2 The appointment of a new Chief Executive in June 2018 created a vacancy in the form of a Corporate Director. The role of the Corporate Director was first established in 2013 in response to an LGA Peer Challenge which identified a lack of strategic capacity to support the delivery of the Council's priorities. At this time, two Corporate Director posts were created with the intention of creating additional capacity at a strategic level, beyond Head of Service level. The role of the Corporate Director was to work with the Chief Executive in taking forward the transformation agenda and to deliver other strategic projects across the organisation.
- 3.3 The organisational structure approved by Council in 2013 and implemented on 1st February 2014 (*Appendix 1*), included the Chief Executive, 2 x Corporate Directors and 7 x Heads of Service. These Officers formed a Corporate Leadership Team of 10 highly experienced and skilled staff whose primary responsibility was to organise, manage and deliver the Council's frontline services and strategic priorities.
- 3.4 In January 2015, one of the Corporate Director posts was deleted from the establishment following the retirement of the post-holder and the savings accrued have contributed towards the Council's corporate savings target. The Head of Environmental Services also resigned her position (February 2017) and two departments were merged into one to form the Community and Environmental Services Department. The Corporate Leadership Team was thus reduced by 20% from 10 to 8 with some Heads of Service having extremely broad remits and strategic responsibilities.
- 3.5 Following the appointment of a new Chief Executive in June 2018, the remaining Corporate Director post has remained vacant on the establishment, thus reducing the strategic capacity of the organisation from 10 (February 2014), to 9 (January 2015), to 8 (February 2017), to 7 (June 2018). The Corporate Leadership Team is, therefore, now having to deliver the Council's services and priorities with 30% less strategic capacity than it had in 2014 and more than 40 fewer staff across the organisation. It is increasingly evident that this is having a direct and tangible impact upon the ability of the organisation to deliver on its strategic projects (both internally and externally) that sit outside day to day service delivery,

- 3.6 Such a significant reduction in strategic capacity has coincided with the Council undertaking a series of major projects including the outsourcing of the Leisure service, a strategic service review of public convenience provision, the re-tender of the waste and recycling contract and the introduction of an organisational transformation programme including the introduction of a Customer Relationship Management (CRM) system.
- 3.7 The strategic review of public conveniences was a complex and contentious project that was undertaken over 12 months and delivered significant financial savings to the council. Due to a lack of strategic capacity within parent service department, the review was led by the Director of Corporate Services, which is highly unusual. The current retender of the waste and recycling contract, which is the Council's largest contract and most high profile service area, is being led by the Director of Regeneration and Policy. Again, you would not expect such a project to be delivered by the Director of Regeneration and Policy. However, due to a lack of corporate capacity and other corporate priorities, this has been a necessity. In both cases, there has been a collateral impact upon the ability of those service areas to deliver on their own priorities, however the corporate priority needed to take precedent.
- 3.8 Whilst these projects have been delivered successfully, they have been reliant upon existing members of the Corporate Leadership Team taking on additional duties and responsibilities in addition to their day to day roles in order to deliver these strategic projects. This has come at a cost in terms of their ability to progress corporate projects within their own service areas.
- 3.9 As was the case in 2013, the 2019 Corporate Peer Challenge has again recognised that there is a lack of strategic capacity within the organisation. The Peer Review Team noted a suggestion from members that it would be appropriate to reintroduce the Corporate Director role and the Corporate Leadership Team support this view in order to provide additional strategic input and resilience. The role would also deputise and provide organisational resilience for the Chief Executive position.
- 3.10 The rationale which led to the designation of these posts in 2013 is as relevant now as it was then. At the present time, the lack of any Strategic Director capacity means that as an organisation, we are able to maintain core service delivery, which we do very well. However, there is no capacity to drive innovation; no ability to cope with large scale problems and issues without other aspects of the business being adversely affected and no capacity to pursue important corporate priorities such as climate change, regeneration, commercialisation and innovation in service delivery. Our new Corporate Plan sets out an ambitious agenda which is to be welcomed, however in order to deliver on the expectations that have been raised, we need to have the strategic capacity in place, otherwise the Council's ability to deliver on the Corporate Plan will be severely restricted.
- 3.11 The November 2019 floods, the February 2020 floods and the Covid-19 situation have further demonstrated the lack of strategic capacity to respond to challenging, unanticipated external events which demand significant resources

and commitment. If left unaddressed, eventually this pressure will have an impact upon employee health and wellbeing. The District Council as a responsible employer, has a duty of care to its staff and must respond to legitimate concerns when they are raised.

4. CORPORATE LEADERSHIP TEAM OPTIONS APPRAISAL

- 4.1 The Corporate Leadership Team (CLT) currently comprises the Chief Executive and 6 Directors (Resources; Regeneration and Policy; Corporate Services; Regulatory Services; Community and Environmental Services; and Housing Services). The current structure is attached (*Appendix 2*).
- 4.2 At the meeting of Council on 16th January 2020, Members resolved to support the principle of appointment to the post of 'Corporate Director' and that the costs of such an appointment be included within the draft budget for 2020/21. This cost has now been incorporated into the 2020/21 budget at a cost of £101,259 (bottom of grade including on-costs). For budgeting purposes, employee costs for vacant posts are always calculated at the bottom of the grade. The current salary including on costs at the top of the grade (which in this case would not be reached for 4 years) would be £109,703.
- 4.3 In reviewing the future organisational needs and resources, two options have been considered with a change in the designation of the post from Corporate Director to Strategic Director.

Option 1: The appointment of a single, Strategic Director (Grade CO1).

Option 2: The deletion of an existing Head of Service post, a reduction from 6 service departments to 5 with a redistribution of functions and responsibilities, and the creation of 2 Strategic Director posts (Grade CO1).

Option 1 Evaluation

- 4.4 The appointment of one Strategic Director restores CLT capacity to January 2015 levels. Whilst this option would enable much needed additional support to be provided to the Chief Executive and the Corporate Leadership Team, it would not provide for the concurrent management and delivery of a number of large scale strategic projects simultaneously i.e. Clean and Green service review, climate change, commercialisation, Local Plan review. It also reduces the capacity to deliver innovation and change across the organisation through time constraints and capacity.
- 4.5 Whilst this option would be workable, it would require clear corporate prioritisation from members to determine the timing of corporate projects.

Option 2 Evaluation

- 4.6 Option 2 is more fundamental and would involve:
- The creation of 2 x Strategic Director posts aligned to the Council's Corporate Plan priorities of *'People, Place and Prosperity'*.
 - The deletion of an existing Director in order to part-finance one of the Strategic Director positions.
 - A reduction in the number of service Departments from 6 to 5 and a redistribution of functions and responsibilities.
 - The internal recruitment to one of the Strategic Director positions in accordance with the Council's Change Management Policy.
 - The external recruitment to the second Strategic Director position.
- 4.7 The deletion of an existing Director and the creation of 2 x Strategic Director posts are proposed at a grade lower than that considered by Council on 16th January 2020 (Grade CO1) and will still result in the creation of only 1 new position.
- 4.8 The two Strategic Directors would be required to work flexibly across the organisation as demands dictate and in response to available capacity. However, in accordance with the recently approved Corporate Plan priorities, there are specific projects which generally (but not rigidly) align with the Strategic Director responsibilities such as:-

STRATEGIC DIRECTOR (PEOPLE)	STRATEGIC DIRECTOR (PLACE AND PROSPERITY)
<ul style="list-style-type: none"> ▪ Transformation Programme ▪ Corporate Plan ▪ Performance Management Framework ▪ Customer Services Strategy ▪ Health and Wellbeing Strategy ▪ Corporate Health and Safety ▪ Electoral Boundary Review ▪ Peer Review Action Plan 	<ul style="list-style-type: none"> ▪ Capital Programme Delivery ▪ Asset Management ▪ Commercialisation • Vision Derbyshire Project • Climate Change Strategy • Clean and Green Service Review • Community Development • Community Grants Review • Waste Contract Implementation • Ashbourne Airfield Project

5. FINANCIAL IMPLICATIONS

- 5.1 The cost of Option 1 would be £95,350 in year 1 rising to £102,323 (top of grade in 4 years' time including on-costs). For year 1, this would be a saving of £5,909 against the current 2020/21 budget of £101,259. At the top of the grade in 4 years' time, there is a cost of £1,064 against the current 2020/21 budget.
- 5.2 The cost of Option 2 would be £106,718 in year 1 rising to £119,600 (top of grade in 4 years' time including on-costs). For year 1, this is an additional

cost of £5,459 against the current 2020/21 budget of £101,259. At the top of the grade in 4 years' time, there is a cost of £18,341 against the current 2020/21 budget.

- 5.3 At the top of the grade in 4 years' time, Option 1 can generally be accommodated within the budget approved by Council for 2020/21. Option 2 in 4 years' time, would result in an increase in the approved 2020/21 budget of £18,341. If approved, it is proposed that this additional cost of Option 2 should be met from the Council's Job Evaluation Reserve which currently stands at £150,000 and is specifically set aside for adjustments in employee grades. There is, therefore, no need to identify further resources to support the proposals.

6. RECOMMENDATION

- 6.1 The proposals outlined at Option 2 are the favoured recommendation as they present a number of distinct advantages to the Council, namely:-
- They respond positively to the Peer challenge recommendations.
 - They increase strategic capacity back to the level approved in 2013.
 - They allow the redistribution of functions among Heads of Service to ensure a more equitable split of responsibilities.
 - They provide sufficient strategic capacity to address the Council's new corporate Plan priorities.
 - They provide sufficient resources to lead on some of the major projects still to be implemented (Section 7 below)
 - They are affordable within existing approved budgets and reserves.

7. MAJOR PROJECTS AND WORK PROGRAMME

- 7.1 In addition to the day-to-day delivery of services and progressing corporate priorities such as climate change, affordable housing and economic regeneration, there are a number of significant projects during the next 12-18 months which Members need to be aware of, all of which will consume time and resources. These include:-

Implementation of the Waste and Recycling Contract

- 7.2 The recent decision of Council to award the Waste and Recycling contract to SERCO in August 2020 has triggered a seven month mobilisation period which will involve devoting extensive resources to the development and promotion of the new chargeable garden waste service which is critical to the financial affordability of the new contract.

Revenues and Benefits Contract

- 7.3 The Revenues and Benefits service for Derbyshire Dales is currently provided by Arvato who also provide the Chesterfield Borough Council (CBC) service. The majority of staff associated with the service are located in CBC offices. The current contract between Arvato and Derbyshire Dales expires on the 17th January 2021. CBC have signalled their intention not to renew their contract

with Arvato and, following a decision taken by the Governance and Resources Committee (11th July 2019), a new hybrid service delivery model is to be pursued in partnership with CBC. An exit plan has been agreed with Arvato for the expiry of their contract and an agreement with CBC is being finalised.

Review of Clean and Green Service Standards

- 7.4 The Council has recently appointed a new Environmental Services Manager (Samantha Grisman), who joined us on the 20th January 2020. This follows a decision by CLT to create more capacity in Environmental Services by separating the previously combined roles of Environmental Services Manager and Waste Manager. Sally Rose, who has been undertaking the joint role for the last 2 years, is now solely focussing on the role of Waste Manager given her significant experience in that field which will be critical to the successful implementation and management of the new waste contract.
- 7.5 The Head of Community and Environmental Services has already committed to undertaking a review of service standards during the next 12 months that will take account of resources as well as Member aspirations. This will be a very significant and challenging piece of work which will involve stakeholder and Member consultation and involvement. The scope and details of this review will be brought to a future meeting.

Derbyshire Dales Local Plan Review

- 7.6. During 2020/21, work will commence on a review of the Local Plan. The existing Plan was adopted in December 2017, so the review is required to have concluded with a new Local Plan in place by December 2022. As well as requiring significant work by the Planning Policy Team with support from specialist consultants, the review will entail extensive public and member engagement.

Climate Change

- 7.7 At its full Council meeting on 30th May 2019, the District Council resolved to declare a climate emergency; to make Derbyshire Dales District Council carbon neutral by 2030; to call upon the UK Government to provide the powers and resources to make the 2030 target possible; to work with partners across the county and region to deliver this new goal through all relevant strategies; and to report back to Council within six months with the actions the Council will take to address this emergency.
- 7.8 On 26th September 2019 Council received a report setting out a 'road map', which identified those areas of Council work and influence that the Climate Change Working Group believed were most relevant to this subject. Since that time, the Group has concentrated on setting out those actions that support the 4 priorities identified in the road map which they believe can be delivered, or initiated, by 31 March 2020 and the Council has approved the preparation of a Climate change strategy and Action Plan. This work is currently in progress.

7.9 However moving forward, in order to progress the implementation the work of the Climate Change Working Group and to realise the Council's carbon neutral ambitions, there will be a need to commit dedicated resources either in partnership with other Derbyshire authorities or within the Council itself.

8. RECRUITMENT PROCESS

8.1 In light of the specialist nature of these positions, it is considered necessary to appoint external recruitment consultants to assist in undertaking a recruitment exercise in order to target and attract candidates of the calibre required. The appointed consultants would also assist in the shortlisting and technical interview process. In accordance with the Council's Financial Regulations, quotations will be obtained from three specialist recruitment consultants. As the costs of recruitment are one-off costs, these would normally be met from savings accrued across the organisation through delayed recruitment.

8.2 In accordance with Part 4(4) of the Council's Constitution (Officer Employment Procedure Rules), the new appointments will be made by a Member Panel with appropriate external support, following a shortlisting selection and technical interview process.

9. SUMMARY

9.1 In summary, as Head of Paid Service it is my responsibility to inform Council of the staffing resources required to discharge the functions of the authority. It is also my responsibility to reflect upon the future ambitions of the Council and advise whether we have the resources in place to deliver on that collective ambition. The recommendations of the 2019 Peer Review, the 2013 Peer Review and the Covid-19 emergency situation have clearly highlighted that at the present time, we simply do not have the resources to deliver on the expectations of Council.

9.2 All Town Hall based employees are generally contracted to work 37 hours per week. Without exception, none of the Corporate Leadership Team work 37 hours per week. Every member of CLT works considerably more hours per week and in some cases, the Council benefits from as much as an additional weeks' work per month that is contractually unpaid. All additional hours worked above 37 hrs/wk are unpaid and whilst every employee (excluding the Chief Executive), is able to claim TOIL (time off in lieu) for hours worked beyond 6pm, the reality is that senior staff accumulate more time that it is possible to take. A lot of time is therefore lost to the employee, but gained by the organisation. Whilst there is a general acceptance that staff in senior positions often have to work longer hours in order to meet the demands of the organisation, there is a limit as to what is fair and reasonable. At the present time, it is my view that we are well beyond what is fair and reasonable and the demands placed upon individuals will, if left unaddressed, start to have an impact upon the long term health and wellbeing of our employees. As a responsible employer, the Council has a duty to mitigate and address such risks.

- 9.3 The Council therefore has a decision to make. We can either increase resources to accommodate the current and future demands and expectations in order to deliver on the Council's priorities and programmes, or we need to be more realistic in what our senior managers are able to achieve within the time they are contractually required to work. Either way, the current situation cannot reasonably be allowed to continue.
- 9.4 Providing sufficient resources to the authority in order that the work of the authority can be undertaken efficiently and effectively is not a political issue. Officers of the authority work for the whole of the Council and implement the priorities outlined in the Corporate Plan. As such, it is important that members understand and acknowledge the capacity of the organisation to deliver on the council's stated ambitions.

10. RISK ASSESSMENT

10.1 Legal

The Head of Paid Service is required by Section 4 of the Local Government and Housing Act 1989 to report to Council on proposals concerning the organisation of the Council's staff and appointment and proper management of the Council's staff. The legal risk is therefore assessed as low.

10.2 Financial

The additional costs associated with the proposed organisation structure are set out in section 5 of this report. If approved, the Option 2 additional cost of £18,341 in 4 years' time could be met from the Council's Job Evaluation Reserve which currently stands at £150,000 and is specifically set aside for adjustments in employee grades. The financial risk is assessed as low.

11. OTHER CONSIDERATIONS

In preparing this report the relevant of the following factors has also been considered; prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

12. CONTACT INFORMATION

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13. BACKGROUND PAPERS

16th January 2020 Report to Council 'Resilience, Resources, Priorities'

14. ATTACHMENTS

Appendix 1 – DDDC Structure (February) 2014

Appendix 2 – DDDC Structure (June) 2018

Appendix 3 – Proposed Structure