

PPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Directorate Restructuring Panel **Date:** Tuesday, 22 October 2013

Place: Committee Room 2, Civic Offices, High Street, Epping **Time:** 7.30 - 8.33 pm

Members Present: Councillors C Whitbread (Chairman), J Hart, G Waller, K Angold-Stephens and J M Whitehouse

Other Councillors:

Apologies: Councillor S. Stavrou

Officers Present: G Chipp (Chief Executive), P Maginnis (Assistant Director (Human Resources)) and I Willett (Assistant to the Chief Executive)

10. APOLOGIES FOR ABSENCE

Councillor S Stavrou.

11. DECLARATIONS OF INTERESTS

I Willett made a declaration of interest concerning the draft report of the Head of Paid Service and the report on voluntary redundancy set out in the Part 2 section of the agenda. He gave a general declaration of interest in the presentation by the Chief Executive concerning the new directorate structure and a specific declaration of interest in relation to the report on voluntary redundancies which referred to his post.

He indicated to the Panel that he would withdraw from the meeting at the conclusion of the public session business and that P Maginnis would keep a record of discussions in private session which would then be formulated into a minute for that part of that meeting.

P Maginnis made a declaration of interest concerning the draft report of the Head of Paid Service but would remain in the meeting as adviser to the Panel as her post was not specifically the subject of any proposals in reports.

12. MINUTES

RESOLVED: That the minutes of the meeting held on 29 August 2013 be confirmed and signed by the chairman as a correct record.

13. NEW DIRECTORATE STRUCTURE - HEAD OF PAID SERVICE REPORT

The Chief Executive gave an oral report on the current position concerning his Head of Paid Service report on a new directorate structure for the Council.

The Panel noted that his original intention had been to prepare the Head of Paid Service report for consideration at the September meeting of the Council but the request by members at the last meeting for a review of the possibility of a three Directorate structure (as opposed to the four directorate structure originally

suggested) had delayed matters. He had also engaged a legal adviser and would be receiving advice on the process to be adopted for pursuing a three or four director option at an initial consultation meeting with the appointed adviser. He pointed out that officers were currently preparing background information for legal adviser who was a member of the legal team at Essex County Council.

The Chief Executive explained that for these reasons his Head of Paid Service report was not available for this meeting and presented the following material for discussion at the meeting, namely:

- (a) an itemised summary of feedback from staff consultation;
- (b) a draft Directorate structure comprising three Directorates together with an analysis of the advantages and disadvantages of that option and further work which had been undertaken on the costing of new structures and voluntary redundancies the latter being the subject of a private session report; and
- (c) a digest of subjects raised in representations received.

The Chief Executive pointed out that approximately 40 consultation responses had been received from individuals and teams within the Council which he considered to be an encouraging response. In general terms, responses had been generally supportive to the concept of change and new values and behaviours.

He referred back to the discussion which had taken place at the last meeting regarding issues which had attracted more negative comments.

Firstly, the title "Director of Place" where he was currently thinking of adopting a different title possibly "Service Delivery" or "Locality". He would still accept views on this particular point. On the "Directorate of Community Services", he preferred that title. He was anxious that new ways of matrix working and the new structure should be reflected in new Directorate titles to demonstrate the change in approach to the provision of services.

The Chief Executive went on to explain the option of a three Directorate structure indicating the pros and cons of this structure. His view that a three Directorate could work but one outcome of this would be that the Chief Executive would have to take direct responsibility for certain key service areas at the corporate centre. He was not convinced about whether this was the correct approach to adopt as access to the Chief Executive did not, in his view have to be linked to line management responsibility.

He stated that further work was still to be done on the question of Executive Assistants for Directors and on centralised administrative support within the Council. He did not accept the principle of having separate support units in each Directorate and felt that this was an issue which needed to be addressed as part of his Head of Paid Service report.

The Chief Executive then answered questions by members of the Panel about various aspects of the staff consultation and about the three Director option for the structure. Although some members of the Panel were attracted to the concept of the three Director approach, there was a wider concern about adequate resourcing for the transition to the new working arrangements and that it might be preferable to move from a four Directorate organisation to a three Director structure in a phased way up to 2015/16 when further budget pressures might necessitate that objective.

The Panel noted that the Chief Executive had decided to deal with statutory officers, in a different way. He was minded not to pursue the idea of a separate appointment/payment regime for these designations but instead would simply include that designation within the relevant job description. He explained that, in relation to the Chief Financial Officer, there was no choice but to allocate it to an officer who was qualified in accountancy. He had looked at alternative scenarios for the statutory positions and although it was acknowledged that in some authorities the Chief Financial Officer and the Monitoring Officer role could be at the second tier (Assistant Director) level, this was not ideal. He was opposed to the idea of devolving these functions to third tier officers as at that level there was insufficient status attaching to the post to allow this to happen.

He had received legal advice regarding the three Directorate structure which indicated that further consultation with staff would be required if this option were to be pursued. Members felt that this might detract from the credibility of the process if there was a change in direction at this stage and increase the possibility of a challenge being made. With this in mind the Panel members agreed with the Chief Executive that the best option at the present time would be to pursue the four Directorate option with the three Director alternative being held in abeyance until the future financial position of the Council is clearer.

The Chief Executive also stated that another important reason for not adopting the three Directorate structure was that the cost benefit calculation was not convincing as savings of only £100,000 would accrue whilst the ability to manage and control change would be impaired, leading to delays in generating savings.

Members commented that the three Director option would take time to finalise and further consultation would only slow the process down. They also felt that larger Directorates are more difficult to manage and were worried that the Local Plan and waste management contracts were in the same Directorate which they thought could be an excessive burden on the Director. Some members were concerned about the loss of senior staff as part of this review and it was felt that the four Directorate structure would retain some continuity during the transition.

Members concluded that the approach taken to the structure review should be an evolutionary one and that the four Director structure should be the immediate objective for the Council. The Panel felt that it had been a worthwhile exercise to look at the three Directorate model and the knowledge gained from the exercise would be useful in the future.

The Chief Executive was asked whether he was happy with the legal advice he was receiving and he confirmed that had received robust support and the nominated officer from the County Council had responded quickly to questions and in compiling of the brief.

RESOLVED

That the Chief Executive be asked to take account of the Panel's view that Directorate restructuring should be progressed on the basis of a four Directorate structure, with the three Directorate option being held in abeyance pending further review.

14. EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

That under Section 100(A)4 of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they would involve the likely disclosure of exempt information as defined in the following paragraphs of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)2.

<u>Agenda Item No</u>	<u>Subject</u>	<u>Exempt Information Paragraph No</u>
6	Applications for Voluntary Redundancy	1 & 2 – information relating to an individual or which is likely to reveal the identity of an individual

The Panel considered whether maintaining the exemption listed above outweighed the potential public interest in disclosing the information. The Panel concluded that the proper officer was right to place the remaining item on the agenda in private session in view of the sensitive personal information contained therein about post holders within the Council

15. VOLUNTARY REDUNDANCY/EARLY RETIREMENTS

The Chief Executive presented a report on the results of an invitation to Directors and Assistant directors to request voluntary redundancy. He advised the Panel that recommendation (1) regarding the approval of such requests should be amended, the Panel being asked simply to note the requests at this stage as any approval of voluntary redundancies must follow the Council's approval of the structure.

The Panel noted that there would not be a need for compulsory redundancies if a four Directorate structure were agreed and that five applications for voluntary redundancy had been received.

In the chief executive's report, the table of redundancy costs in paragraph 4 was amended to clarify the financial cost of one redundancy payment as these had not been presented clearly and gave the impression that the sum involved was higher than the actual entitlement if the redundancy were approved. Members received an explanation of the individual figures quoted, including the figure relating to "strain" on the Pension fund which applied to one case was also outlined.

The Panel made no adverse comment on the voluntary redundancy requests at Director level. They agreed that in one request at Assistant Director level could not be entertained as there was no change in the substantive post between the existing and new structures and a redundancy was not therefore applicable.

In relation to two other voluntary requests at Assistant Director level, the Panel accepted one case as a clear redundancy existed but, on the second case, acknowledged that the request could only be considered further once the proposed structure had been finalised. Further legal advice is being taken on this case.

The Panel noted that one Director seeking voluntary redundancy was prepared to stay on beyond the 31 March 2014 implementation date for the new structure for operational reasons.

RESOLVED:

That the position concerning voluntary and compulsory redundancies as reported be noted.

16. DIRECTORS AND ASSISTANT DIRECTORS - SALARY LEVELS

The Panel considered a report showing the cost implications of a three or four director structure. This recognised that there would be salary increases for the Director roles which they will consider at a future meeting when there was fuller attendance at the Panel.

The Chief Executive was asked to review the position of the Assistant Directors and report back on cases where there was a clear increase in post responsibilities and roles as a result of the new structure and those where there were unlikely to be such changes. The Panel was mindful of the market research conducted by GatenbySanderson who had indicated that benchmarking data indicated case for differential ranges at that level.

They asked that the Chief Executive asked for a further report to the next meeting on salary options at the Directors and Assistant Director levels.

RESOLVED:

That a further report be submitted to the next meeting on options for Director and Assistant Director salaries with a view to the preferred option being appraised in financial terms in the Chief Executive's Head of Paid Service report.

17. DATE OF NEXT MEETING

The Panel requested a meeting in November 2013 to receive further information on the remaining aspects of the Head of paid service report.

CHAIRMAN