

NORTH LINCOLNSHIRE COUNCIL

COUNCIL

**FUTURE MANAGEMENT STRUCTURE OF THE COUNCIL - APPOINTMENTS
PROCESS**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To consider the appointments process for Directors and Assistant Directors, and to establish an Appointments and Employment Committee
- 1.2 To consider terms and conditions of Directors and Assistant Directors in accordance with the council's pay policy requirements.
- 1.3 To consider designation of statutory Chief Officer posts as required.

2. BACKGROUND INFORMATION

- 2.1 Under the terms of the constitution there are certain personnel issues that are the decision of full council. Cabinet at its meeting on 24 January approved the future management structure. It is the responsibility of council to determine the appointment process and the terms and conditions of the chief officers and deputy chief officers as defined in legislation, and associated matters.

3. OPTIONS FOR CONSIDERATION

- 3.1 Under the Officer Employment Procedures it is required that Chief Officers and Deputy Chief Officers are appointed either by Full Council, or by a Committee of Council. The latter option is the usual option.
- 3.2 It is proposed that council establishes an Appointments and Employment Committee to discharge on the Council's behalf (in line with the Officer Employment Procedure Rules in part D rule 8 of the Constitution) all relevant functions. These relate to the appointment, dismissal and associated decisions on terms and conditions, including the designation of statutory Chief Officers, arising from the restructure of the Council's senior management structure as approved by Cabinet on the 24 January 2012. The affected positions are:

i. A statutory chief officer (as defined by section 2 (6) of the Local Government and Housing Act 1989);

ii A non-statutory chief officer (as defined by section 2 (7) of the Local Government and Housing Act 1989); and

iii A deputy chief officer (as defined by section 2 (8) of the Local Government and Housing Act 1989).

In council terminology these are all director and assistant director posts in the new structure approved by Cabinet.

- 3.3 The committee, as a committee of Council, must be composed on a politically proportionate basis and at least one member of the executive (cabinet) must be a member of the committee. It is for council to determine the number of members on the committee.
- 3.4 The review protocol will be followed. The posts are usually ringfenced to affected staff by tiers. Therefore the current 6 Directors would be eligible to apply for the 3 Director posts. If appointments are made then it would be appropriate for the new Directors to advise on the next tier of appointments. There are differing processes if there is to be external advertisements as opposed to internal filling of posts. It is proposed that the Appointments and Employment Committee be authorised to take any necessary action if required.
- 3.5 The next ring fence would be the existing Assistant Directors for the Assistant Director posts. There is a designation process for any posts that match at least 75% of an existing post. Also it is proposed that there will be some indication of the posts that could be available at third tier which may add clarity to individuals' decisions. This would potentially streamline the recruitment process and allow for quicker appointments and hence implementation of the new structure.
- 3.6 The salaries of senior posts are a local issue to determine. Benchmarking of top jobs has been undertaken in the past. The Council has always set the salaries at comparatively low levels. The last time senior salaries were set was by the Special Committee on Shaping the Council on 9 June 2009. These determined the salary for the Director of Children's Services (£97,430) and for the other Directors (range £82,500 to £87,000 with provision for two additional increments to a maximum of £90,000).
- 3.7 There is a strong case that there should be some modest financial recognition of the new roles as the level of accountability and responsibility has increased. Comparative analysis shows that existing executive salaries are well below average, and indeed below lower

quartile. The table below shows the current and proposed salaries along with some regional comparisons.

Authority	Range	North Lincolnshire	Current	North Lincolnshire	Proposed
Doncaster 4 Directors	£112,000 to £120,000	Director of Children Services	£97,430	Director of People	£105,000
East Riding 5 Directors	£120,000 to £130,000	Directors	£82,500 to £87,000 with additional increment up to £90,000	Director of Places	£90,000
North East Lincolnshire 4 Directors	£115,000 to £120,000 (one £120,000 to £125,000)			Director of Policy & Resources	£90,000
Rotherham 4 Directors	£110,000 to £115,000				
York City Council 4 Directors	£103,000				

3.8 From comparative analysis the grades for the Assistant Directors still seem to be consistent relative to other authorities. Therefore the new posts should follow the approved existing grades of JNC 2A to JNC 5. There is sufficient and appropriate flexibility in the grading system to differentiate posts at Assistant Director level by the differing pay bands already in existence.

3.9 Council is required to designate the Statutory Chief Officer posts. It would be appropriate for the Director of People to be the designated Director of Children's Services and the Director of Adult Social Services. This is the usual position where the services are combined at the director level.

3.10 For the statutory chief financial officer role (the Section 151 officer) designation of the Director of Policy & Resources post for this role would mean that it would have to be filled by a qualified accountant.

This would limit the potential applicants for the post. It is not a statutory requirement for the Section 151 officer to be in the top tier of management, but must have appropriate access to decision making groups to discharge the statutory duties. However, if the successful applicant for the Director of Policy & Resources were a qualified accountant then it would be appropriate for this to be considered as the Section 151 officer.

4. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 4.1 Financial - The costs of the new structure can be met from the budget proposed to council. Savings of £780,000 were identified in the report approved by Cabinet.
- 4.2 Staffing – The staffing implications are detailed in this report. Council personnel procedures will be followed in the appointment process, including the grading of the assistant director posts in line with the Job Evaluation protocol.

5. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

- 5.1 Statutory implications. The proposals in this report are in line with the statutory Officer Employment Rules and the requirements of the Local Government and Housing Act 1989.
- 5.2 Environmental, Diversity and Section 17 implications - There are no direct implications.

6. OUTCOMES OF CONSULTATION

- 6.1 No specific consultation is required. Staff and trade unions have been consulted in accordance with personnel policies on the structure. Concerns have been raised about the timing of the review after the recent senior management restructuring, and the potential impact on the capacity of the proposed management structure to fulfil statutory functions and provide specialist leadership of services. The feedback centred on the capacity issues at assistant director level and on the distribution of functions within the proposed directorates. These have been dealt with in the cabinet decision on structure.

7. RECOMMENDATIONS

- 7.1 That Council establishes an Appointments and Employment Committee with the terms of reference as detailed in paragraph 3.2, and that it is politically proportionate

- 7.2 That the terms and conditions of the Directors and Assistant Directors as set out in paragraph 3.7 and 3.8 be approved
- 7.3 That the Director of People be designated the Director of Children's Services and the Director of Adult Social Services
- 7.4 That the Appointments and Employment Committee be given full delegated decision-making powers in relation to the matters detailed in paragraph 3.2 herein and any incidental issues arising from this process.

CHIEF EXECUTIVE

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Background Papers used in the preparation of this report: None