

## Rother District Council

**Report to:** Cabinet

**Date:** 17 August 2020

**Title:** Senior Staff Restructuring

**Report of:** Councillor Doug Oliver, Leader of the Council

**Cabinet Member:** Councillor Doug Oliver, Leader of the Council

**Ward(s):** -

**Purpose of Report:** To implement a new senior management arrangement.

**Decision Type:** Key

**Recommendation:** It be **RESOLVED:** That the following recommendations be made to a special meeting of Licensing and General Purposes Committee and thereafter to Council on 21 September 2020:

- 1) that both Executive Directors posts be deleted and that a post of Chief Executive be established;
- 2) that appointment to this new post be ringfenced to the two existing Executive Directors. If both Executive Directors wish to apply for the Chief Executive post then a Member Appointment Panel be formed. If only one applies then that Executive Director shall be appointed to the position;
- 3) in the first instance the appointment be made for one year only, with a Member Panel conducting regular performance reviews against set objectives and a behaviour framework. That Panel will submit a report to Full Council in one year's time;
- 4) that this report and its recommendations, including the appropriate salary scale, be considered and amended as deemed necessary by the Licensing and General Purposes Committee. The Licensing and General Purposes Committee will also consider any responses to consultation by Trade Unions and the officers concerned in addition to considering a report on proposed redundancy terms for the Executive Director who does not remain; and
- 5) that the Licensing and General Purposes Committee report and make recommendations direct to Full Council.

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### Introduction

1. The Cabinet meeting of 9 March 2020 considered a confidential report on Council Transformation: Stage 1 (Minute CB19/111 refers).

2. Since that time Members will not need to be reminded of the impact COVID-19 has had on our communities, businesses and the Council itself in terms of delivery of services and its own financial resources.
3. Cabinet has used this time to discuss more widely and to reflect on the changes that have occurred within the Council – such as revised ways of working, changes to the way some services are delivered and how residents and businesses communicate with the Council. These dynamics have shown that future operation of the Council will look different to that of pre-COVID-19.
4. Due to the impact of COVID-19, to future national uncertainty surrounding local government structure and to the need to retain senior staff skills and knowledge, it is felt appropriate to withdraw the original recommendations and replace them at this stage by a single recommendation. This is to appoint a strategic Chief Executive and Head of Paid Service (a draft Job Description and Person Specification is attached) on a one-year contract in the first instance. This post to be ringfenced to the two existing Executive Directors.
5. This will enable Members urgently to work with the newly appointed Chief Executive with minimum disruption and time loss, to deliver the Council's response to the post pandemic situation and its evolving new Corporate Plan (CP).

## **Background**

6. Obviously the COVID-19 pandemic forms a major backdrop at the present time. Members, however, will also be aware of the work currently being undertaken developing a new CP for the Council. The CP will reflect new priorities and set the direction for the Council for the next seven years. The current CP (2014-2021) had identified the need to reset services and this formed the basis of the Council's Efficiency Plan latterly known as the Rother 2020 programme. This work looked at lean and demand, devolution and service resetting to further reduce the cost of the Council. Members will also be aware of the increased financial challenge facing the Council. Cabinet (Minute CB19/57 refers) noted the actions of the Strategic Management Team (SMT) to mitigate the projected overspend of £1.2m in 2019/20 and to deliver the ongoing savings through the Rother 2020 Programme in order to ensure the Council achieves a balanced budget in the medium term. Since that time, the financial situation has deteriorated further due to the impact of COVID-19, not only on costs but also on the Council's income streams. Members will also be aware of the financial impact of COVID-19 in 2020/21 that may or may not be covered by the Government grant. The pandemic has slowed progress on delivering additional income and expenditure savings envisaged in the Medium Term Financial Plan (MTFP).
7. Members will also be aware of the prospect of organisational turbulence if the Government moves ahead with widely mooted plans to expand unitary local government across England.
8. As employee related costs represent the Council's largest item of expenditure, it was planned through the Rother 2020 programme that savings in staffing would contribute to the overall savings target. Some of these savings were achieved through the voluntary redundancy programme in March 2020. However, as part of the original MTFP and because of COVID-19, it is

necessary to review the Council's staffing structure to ensure it aligns and supports the emerging CP and MTFP.

## **Corporate Plan**

9. The priorities for the new CP, in addition to achieving financial stability, will be centred on improving the environment, delivering new housing, delivering a new Bexhill Town Council and the continued devolution of functions and assets to Rother's communities.
10. The officer/departmental structure will need to reflect these priorities for the Council, particularly the climate and environmental challenges and housing delivery programme. This will require staff resources to be reallocated/enhanced in areas.

## **Financial Environment**

11. Members will be aware that since 2010 Central Government has imposed significant funding reductions on Local Government whereby Revenue Support Grant for Rother has been reduced to zero and retained income from business rates reduced; a total loss in excess of £3m ignoring the impact of inflation. This, alongside successive low council tax rises, reductions in interest earnings and the impact of inflation, particularly contract inflation and the new waste contract has put unprecedented pressures on the Council's finances.
12. The Council's MTFP has consistently evolved to deal with these pressures through delivering efficiencies, staff restructures (particularly in 2014 with the loss of the post of Chief Executive, five Heads of Service and 20 other posts), shared services, joint working, devolvement, income generation and income through regeneration. In setting balanced budgets, the current MTFP relies on using reserves and while this is not a sustainable long-term strategy, in recent years the draw on reserves have been far less demanding due to these efforts.
13. However, as mentioned earlier in this report, the impact of the COVID-19 pandemic on the Council's finances adds significant pressure with a projected shortfall of £2m to £3m in 2020/21. There are potentially longer lasting negative impacts as well if local businesses fail (reducing business rate income), and increased unemployment reduces the amount of Council Tax collectable (increased households claiming council tax support). In addition, if new development within the District, both in terms of business space and residential homes falters, then there will be further lost revenues to the Council.
14. Creating additional income is however proving challenging with limited opportunity to acquire properties to let within Rother and surrounding area. The approved acquisitions within Rother to date are largely new developments with a longer time horizon for delivering income than is currently envisaged in the MTFP. Together with the rise in waste collection costs, greater emphasis on housing delivery and the Council promoting environmental actions, means there is a need for further savings to be identified or the draw on reserves will become greater.

15. In setting the Revenue Budget for 2020/21, increased importance was given to the delivery of the 'Rother 2020' programme service-based savings. A package of cost reduction measures was identified including securing a reduction in the number of staff through the "lean" and demand programme and service prioritisation. The reduction in staff has partially been achieved through a voluntary redundancy programme but this has fallen short of the target savings due to the envisaged review of the senior management structure being delayed until this report.
16. The next phase will look at accommodating the priorities for the new Council. Also, if a Bexhill Town Council is to be created this could lead to further changes in departmental structures, depending on the scope of services that are devolved. To set up a wholly new Town Council is a significant undertaking and will require this Council to dedicate short term resources to enable this to happen as there is insufficient capacity within the existing workforce.
17. It is also important for Members to consider the relative priority of Council services if the income and savings expected are insufficient to deliver a sustainable budget. Officers and Members will need to undertake a review based on the CP priorities and non-priorities to consider at a future date.

### **Senior Management**

18. As stated in paragraph 8 above, staff savings were identified as being part of a package of measures towards contributing to the savings target for the forthcoming financial year. SMT recognise that in order to protect as many of the Council's frontline services as possible there needs to be a reduction in the most senior level of management of the Council. However, this is caveated in that senior management has been significantly reduced over the years and the workload is proving challenging.
19. Having considered the future needs and direction of the Council along with the customer journey/requirements for services, it is proposed that both Executive Directors posts be deleted, and a new post of strategic Chief Executive and Head of Paid Service be created (as set out in the attached Job Description and Person specification). This post will be ringfenced to the existing two Executive Directors, in accordance with the Council's redundancy and restructuring policies.
20. As this proposal relates to the current shared Head of Paid Service role, this will require full Council approval. Because this is technically a reorganisation, in accordance with the Council's Constitution, this matter is remitted to the Licensing and General Purposes Committee (L&GP) for consideration.
21. In the event that both Executive Directors wish to compete for the post, a Member Appointment Panel will be formed of Members, one of which must be a Member of the Executive. If neither wishes to apply then then a Member Appointment Panel will be required to appoint an external candidate.
22. It is proposed that advice is sought on the appropriate pay range for the post and that the Council's Pay Policy is amended accordingly. It is considered right, since the Council is not seeking external competition, that the appointment is made to the bottom rung of the appropriate pay range and that

the appointment is made for one year only in the first instance. The post will be subject to regular performance monitoring with respect to milestones and behaviours and performance monitored by a Member Panel (composition to be decided). There will be a further report to Full Council in one year's time on whether, at that stage, it is preferable to open up competition for this post to external candidates or whether to confirm and make the internal appointment substantive.

## **Financial Implications**

23. The current salary of an Executive Director is around £100,000, excluding September 2020 pay award (Basic Pay £96,585 plus car allowance £3,768) with on-costs around £133,000. This is one spinal column point below the top of grade, a voluntary arrangement agreed by both Executive Directors at the time the former Chief Executive post was made redundant. The salary of the new Chief Executive role is to be determined by Full Council on recommendation of the L&GP. For the purposes of considering the financial implications of this report, an example salary of £115,000 is used and represents the average for Districts in the area. With on-costs, the total cost is in the order of £155,000. The saving after costing the re-grade will be around £111,000 per annum, which initially will cover the cost of severance of the second postholder. After one year this becomes an ongoing revenue saving.
24. Establishment of the behaviour framework to support performance monitoring is budgeted as £10,000 as previously approved by Cabinet (see Appendix B).
25. The cost of severance following redundancy of the second post will vary depending on which Executive Director is appointed. The Government has indicated that Regulations (Public Sector Exit Payment Cap Regulations 2019) are to be laid before Parliament soon restricting the total severance pay for any individual to £95,000, including any additional cost to the Pension Fund for early take up of benefits. Full Council will need to approve whatever is offered, and it will be unclear until September at the earliest whether these Regulations are to be enacted before the date of Full Council and whether there will be any flexibility that Council can exercise over the value of the exit package.

## **Services Staff**

26. As the Council adjusts its service provision to manage the Government funding reductions and the priorities set by this Council, the staffing structure has been and will be continually under review. This will be a key role for the new Chief Executive.

## **Consultation**

27. Both Executive Directors and their union ALACE have been appraised of this report and ALACE has made a number of points which will be reported to the L&GP. A copy of this report has been sent to Staff Side for Union response direct to the L&GP.

## Conclusion

28. A previous Cabinet report, considered in March, on this matter has been withdrawn due to the impact that the COVID-19 pandemic has had on the Council, especially in relation to the MTFP. It is the ambition of this Council to be streamlined and efficient as set out in the emerging new CP, the recommendations contained within the report are important first steps towards that goal.
29. This report presents the commencement of a revised management structure to Members and initial changes to the staffing structure. This review provides the basis for delivering services and priorities in the new CP and MTFP against the backdrop of the Council's financial and organisational prospects.

<b>Other Implications</b>	<b>Applies?</b>	<b>Other Implications</b>	<b>Applies?</b>
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	Yes
Sustainability	No	Access to Information	No
Risk Management	No	Exempt from publication	No

Executive Director:	NA
Proper Officer:	
Report Contact Officer:	Councillor Doug Oliver
Appendices:	Appendix A (1) & (2) - Job Description and Person Specification Appendix B - Behaviour Framework.
Relevant Previous Minutes:	Minutes of Cabinet meeting 9 March 2020, minute reference CB19/111.
Background Papers:	None
Reference Documents:	None

**ROTHER DISTRICT COUNCIL  
CHIEF EXECUTIVE JOB DESCRIPTION (DRAFT)**

<b>Job Title</b>	<b>CHIEF EXECUTIVE</b>
<b>Salary level</b>	
<b>Primary Purpose of the Job</b>	To act as principal adviser to The Leader and all elected members. To support Councillors in the leadership; development; and, establishment of a transformed Council. As the statutory Head of Paid Service, to provide leadership and direction throughout the organisation. To be accountable for the performance of the organisation and meet the Council's strategic objectives through efficient and effective deployment of resources. To ensure that residents receive services of the highest standard.
<b>Responsible to</b>	The Leader of the Council and the Cabinet
<b>Responsible for</b>	Those officers for whom there is, at any point in time, a direct or shared management responsibility. As Head of Paid Service - all employees of the Council. This document is written with reference to the National JNC for Local Authority Chief Executives National Salary Framework & Conditions of Service Handbook.

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<b>Principal Responsibilities</b>	<ol style="list-style-type: none"> <li>1) To advise and support the leader on any matter relevant to the Council's functions.</li> <li>2) To lead the development and establishment of a transformed Council ensuring it is successful; viable; and excellent in service delivery to customers.</li> <li>3) To ensure elected members' vision for the Council is translated into operational reality.</li> <li>4) To work with elected Members to provide leadership, vision and strategic direction to the council, ensuring a clear sense of ambition and purpose, particularly in the context of the operational and financial challenges the council faces.</li> <li>5) To enable and ensure the efficient corporate management of the Council through developing heads of service units and a new Management Team ensuring the delivery of high-quality services; drive improvements and coordinate strategies.</li> <li>6) To exercise the duties and responsibilities as Head of Paid Service.</li> <li>7) To drive forward regeneration activity across Rother and ensure the Council is a key lever to economic prosperity.</li> <li>8) To identify new opportunities for improving democratic accountabilities in the changing landscape.</li> <li>9) To lead strategically, promote and manage effective partnership and community relationships with stakeholders within and outside of the Council.</li> </ol>
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- 10) To act as principal policy adviser to Members and ensure that the Council's policies and priorities are understood, owned and implemented across the organisation.
  - 11) To represent and negotiate on behalf of the Council on external bodies and networks. This includes representing the Council at civic, local, regional and national events.
  - 12) To ensure the effective governance of the Council and the legality, probity, integrity, proper public accountability and scrutiny of its decision-making processes.
  - 13) To promote a culture of excellence underpinned by performance management and continuous improvement, motivating and developing the Council's workforce to achieve its objectives.
  - 14) To participate in the recruitment of Chief Officers across the Council.
  - 15) To act as the Council's Returning Officer for local elections and Acting Returning Officer for the various Parliamentary Constituencies.

### **Chief Executive Behaviours**

The post holder will exhibit and performance will be managed against the council's behavioural framework.

### **Review and Change Arrangements**

The details contained in the job description reflect the content of the job at the date the document was prepared. It is inevitable that over time the nature of the job will change, existing duties may be lost and other duties may be gained without changing the general character of the duties or the level of responsibility. Consequently, the Council will expect to revise the job description from time to time and will consult with the post holder at the appropriate time.

**ROTHER DISTRICT COUNCIL  
CHIEF EXECUTIVE PERSON SPECIFICATION (DRAFT)**

**Job Title** CHIEF EXECUTIVE

**Stage One** Disabled Candidates are guaranteed an interview if they meet the essential criteria

**The Minimum Essential Requirements for the above post are as follows and will be assessed by application and/or interview.**

**1. EXPERIENCE, SKILLS AND KNOWLEDGE**

Ability to develop positive working relationships with all elected members, ensuring their vision is translated into operational reality.

A proven track record in a number of organisations, of leading, managing, empowering and inspiring teams of senior staff to a high level of achievement and innovation.

Experience of successful change management and transformation within a major organisation, ideally of the introduction of Agile working and ideally within a politically sensitive environment.

Ability to develop, manage and maintain community relationships.

An understanding of the Council's financial context and budget strategy and a proven track record in the successful management of comparable complex budgets and resources within a Local Authority setting.

Successful experience of operating in a sensitive political context and providing clear, objective advice to senior officers, Elected Members and partner organisations.

A proven track record of formulating and implementing complex strategies and plans that cross service boundaries; drive the development of an organisation; and, deliver corporate objectives.

Extensive experience of successfully developing and managing high quality strategic partnerships and relationships across sectors with a wide range of stakeholders, to deliver inter-organisational objectives.

A detailed understanding of the sector and challenges it faces, including the regional and sub-regional context relating to Rother and East Sussex and the impact that Council reorganisation will have on staff and residents.

Knowledge and experience of driving and delivering regeneration, to maximise the opportunities a local authority has to shape the place and improve community outcomes within which it operates.

Demonstrable experience of working and exercising sound judgement in an environment which involves a high degree of interface with senior politicians and officers, local and regional government and partner organisations.

Highly developed analytical, problem solving and negotiating skills producing a record of innovative solutions to ensure achievement of corporate objectives

Successful involvement with the media and in promotion and management of an organisation's corporate reputation.

## **2. CHIEF OFFICER COMPETENCIES**

**Candidates will be assessed against the following competencies:**

- **Leadership**
- **Transformation**
- **Strategic management**
- **Ability to work collaboratively with elected Councillors**
- **Values driven**
- **Creates vision**
- **Acting collaboratively**
- **Communicating powerfully**
- **Changing culture**
- **Handling complexity**
- **Continuously improving performance**

## **3. CHIEF OFFICER BEHAVIOURS**

**Candidates will be assessed against the following behaviours:**

- **[TO BE COMPLETED WITH THE, TO BE DESIGNED, BEHAVIOUR FRAMEWORK]**

## **4. WORK RELATED CIRCUMSTANCES**

The Chief Executive is expected to:

- Work such hours as are necessary to ensure the job gets done. This routinely involves evening work and attendance at civic events, as well as the standard Monday to Friday business week. Occasional weekend working is required. The post holder is "on call" at all other times, particularly to cover emergency planning requirements. No extra payments are made for such extended hours.
- Reside within one hour's commute of Bexhill.
- Be prepared to travel, both within and outside of the UK, as required by the demands of the job.
- Remain politically neutral and ensure any personal interests are not in conflict with their position.

## **BEHAVIOURAL FRAMEWORK**

### **Behaviour Framework Design**

A Behaviour Framework (BF) sets out the behaviours that matter to the transformed council and the examples of effective and ineffective behaviour at the different levels of the organisation. The BF is the basis of performance managing the new organisation selection and management of staff. The BF is required for selection and performance management of the Chief Executive. The budget, already approved by Cabinet, for the design including expenses is £10,000.