

27 November 2013		ITEM: 10
Council		
Senior Manager Appointments		
Report of: Graham Farrant, Chief Executive		
Wards and communities affected: None	Key Decision: Non-key	
Accountable Head of Service: Graham Farrant, Chief Executive		
Accountable Director: Graham Farrant, Chief Executive		
This report is public		
Purpose of Report: To agree the permanent recruitment to the posts of Director of Children's Services and Director of Adults, Health & Commissioning		

EXECUTIVE SUMMARY

In accordance with the Council's Pay Policy, recruitment to posts attracting a salary in excess of £100,000 require approval from Council.

This report requests approval to commence permanent recruitment to two Director posts:

- Director of Children's Services
- Director of Adults, Health & Commissioning

The posts are both currently vacant; covered by acting up arrangements.

Recruitment and appointment to the posts will be managed through the General Services Committee.

1. RECOMMENDATIONS

- 1.1 **Council agree to the recruitment of the post of Director of Children's Services and the post of Director of Adults, Health & Commissioning at the current evaluated salaries.**
- 1.2 **Council notes the reduction in overall costs of senior management to the General Fund of £455,676 and reduction in costs to the public sector of £907,076 since 2010, including National Insurance and pension contributions.**

2. INTRODUCTION AND BACKGROUND:

- 2.1 This report sets out the Council’s senior management structure and compares it to the senior management structure from 2010. Over the last three years we have evolved towards a flatter management structure in which the Directors are seen as the head of their professional service, having a high degree of expertise rather than managing a cross cutting range of services and working well beyond the confines of their professional expertise. This has given a more productive focus to the organisation, but relies, for strategic capacity, on Directors working together across the council and the community.
- 2.2 This has resulted in a consequential reduction in the number of Heads of Service posts with reduced costs overall.
- 2.3 In addition to the move away from Corporate Directors, the Council has acquired responsibility for activity previously undertaken by the Thurrock Thames Gateway Development Corporation and Public Health, all of which has been absorbed within the current structure.

3. SENIOR MANAGEMENT STRUCTURE IN THURROCK

- 3.1 Appendix 1 sets out the detail of relevant senior salaries across the council and partner organisations for 2013, compared with 2010. During that time the council has taken on a number of additional functions including those previously carried out by the Thurrock Thames Gateway Development Corporation (TTGDC) and Public Health. I have therefore included the direct management costs of delivering those services within those external organisations as well as council staff costs for a more valid comparator. The costs incurred within other organisations are shown in a separate column but the key comparison is between the sum of “General Fund” plus the “Other” columns for the two years as this more accurately reflects the true cost to the public sector. In providing the comparison figures I have excluded the salary costs of the Chief Executive and the Finance Director for TTGDC, even though they were involved in project delivery. A large percentage of their time was spent administering and providing leadership to the organisation and the Board, rather than solely in delivering regeneration and therefore I have excluded their cost from the comparison.
- 3.2 The other area that I have separated is the re-charge for senior management to the Housing Revenue Account (HRA). In 2010 the housing service was under resourced and as a result provided services that were poor in terms of quality and value for money. Since 2010 the re-financing of the HRA has led to significantly increased funds available for the refurbishment and repair of council tenancies and senior management capacity has been increased in order to deliver a challenging business plan to council tenants. I have therefore separated the HRA senior management charges from those charged to the General Fund.

- 3.3 The net position in terms of costs in senior management within the General Fund services provided by the council is a significant reduction of cost to the public sector since 2010 as a result of joint management and deleting posts. 2013 salary costs are £373,505 less than 2010 and this is a direct saving to the council. This saving increases to £455,676 when including 22% for pension and National Insurance contributions.
- 3.4 This has been achieved through the removal of the Corporate Director posts and their replacement with a flatter, more professionally focussed team of Directors with narrower roles and stronger professional accountability. The council's strategic capacity is derived from the Directors Board working together and this has enhanced the corporate management significantly. I am confident that the team that we have in place now has the strategic and professional capacity to provide excellent leadership to the council and this belief is reinforced by the recent award of Gold accreditation through Investors in People and by some of the individual comments made in the process which are recorded in the final IIP report.

4. PAY POLICY FOR DIRECTORS AND HEADS OF SERVICE

- 4.1 The Council implemented its current pay policy for Directors and Heads of Service on 1 April 2010. This followed a review of the previous scheme with the intention of attracting and retaining senior staff whilst ensuring remuneration arrangements were relative to the employment market. The current pay arrangements cover all elements of remuneration – no allowances or bonuses are paid in addition. The pay arrangements apply to all Director and Head of Service roles; the appropriate median salary is derived by independent market comparison using data that is weighted 50% to Unitary Authorities and 50% towards London Boroughs. The full scale is attached at Appendix 2.
- 4.2 Pay rates for Directors and Heads of Service have not increased since the policy was implemented in 2010.

5. SENIOR MANAGEMENT PAY

- 5.1 At the council meeting in June Members discussed the motion that was agreed in November 2010 requesting senior managers to consider taking a 5% cut in pay. I replied to Members at the time setting out our proposals for reducing the overall costs of senior management in the council. This reduction in cost has been delivered as set out in this report and in addition, Heads of Service and Directors do not claim for mileage and other incidental expenses whilst working within the Thames Gateway of South Essex area and this has been maintained since 2010.

6. REASONS FOR RECOMMENDATIONS

- 6.1 At present the following posts are vacant, being covered by acting up arrangements;

- **Director of Children’s Services** – covered by Carmel Littleton, Head of Learning and Universal Outcomes
- **Director of Adults, Health and Housing** – covered by Roger Harris, Head of Commissioning

6.2 The recommendations are that we recruit to the two Director jobs at the salaries at which they have been evaluated.

6.3 **Director of Environmental Services** – Interim arrangements have been established to cover the vacant post of Director of Environment for the next 6 months by appointing an interim Head of Environment, Mike Heath, and with Darren Henaghan, the Corporate Director of Environment and Housing for the London Borough of Barking and Dagenham providing strategic overview and Leadership for the service by covering the requirements of the Director role. These interim arrangements are intended to give the service the professional leadership and focus which it needs to resolve the outstanding issues with refuse collection.

6.4 I will then review the options for permanent recruitment over the next 6 months.

6.5 **Assistant Chief Executive** - In addition Steve Cox, Assistant Chief Executive, will be providing interim cover for the London Borough of Barking and Dagenham’s Director of Place. This supports the shared Policy and Strategy team arrangements and enables improved collaboration, particularly around economic development and the NNDR Pooling proposal.

7. IMPLICATIONS

7.1 Financial

Implications verified by: **Sean Clark**
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sclark@thurrock.gov.uk

The report clearly sets out the reduction in senior managers’ pay between 2010 and 2013 in terms of both the general fund cost to the Council and the wider public pay bill in which the Council has incorporated responsibility over this time.

Funding for the Director posts for both Children’s and Adult services is fully budgeted within the 2013/14 base budget.

The report also recognises some shared service efficiencies that will contribute towards the £0.5m savings target included within the 2013/14 base budget.

7.2 **Legal**

Implications verified by: **Chris Pickering**
 Telephone and email: **01375 652925**
chris.pickering@bdtlegal.org.uk

This report notes the savings made by changes in structure since 2010 and there are no legal implications identified in this. The process of recruiting to senior management posts with salaries in excess of £100,000 is managed through General Services Committee and requires approval from Council. The roles of Director of Adults, Health and Commissioning and Director of Children's Services are specifically provided for under Chapter 1, Part 2 – Article 12 of the Council's Constitution and are statutory positions pursuant to section 6 of the Local Authority Social Services Act 1970 and section 18 of the Children's Act 2004 respectively. Thurrock Council's Constitution will apply to the process of recruitment to these positions and paragraph 6.1 of Article 12 of provides that the Council must employ a Director of Children's Services and a Director of Adult Social Services. All salaries in excess of £100,000 will be disclosable publicly.

7.3 **Diversity and Equality**

Implications verified by: **Samson DeAlyn**
 Telephone and email: **01375 652472**
sdealyn@thurrock.gov.uk

There are no specific diversity implications to this report as the relevant equality duties will be addressed through the authority's employment and recruitment procedures.

7.4 **Other implications** (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental

None.

BACKGROUND PAPERS USED IN PREPARING THIS REPORT:

- None

APPENDICES TO THIS REPORT:

- Appendix 1 – Senior Management Costs
- Appendix 2 – Full Pay Scale
- Appendix 3 – Structure Chart 2010
- Appendix 4 – Structure Chart 2013

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