

Meeting:	Cabinet
Date:	28 July 2005
Subject:	Executive Director Vacancies
Responsible Officer:	Joyce Markham
Contact Officer:	Joyce Markham
Portfolio Holder:	Councillor Navin Shah
Key Decision:	No
Status:	Part I

## **Section 1: Summary**

### **Decision Required**

Members are asked to agree:

- i. The proposal to merge Business Connections and Organisational Development into a Business Development Directorate.
- ii. The timetable and proposals for populating the structure of the Directorate.
- iii. The proposal to re-grade the Directors of Strategy in all Directorates.
- iv. The incentivisation of the Director of Business Transformation to implement the Business Transformation Partnership as described in the report.
- v. To agree the timetable for advertising the Executive Director (Urban Living).

## **Reason for report**

There are two vacant Executive Director posts. This affords the opportunity to consider the Council structure.

## **Benefits**

The proposals in this report offer the opportunity to streamline the existing management arrangements and rectify a salary anomaly in the structure. This provides a better use of resources.

## **Cost of Proposals**

The budgeted cost of the present senior management structure in Business Connections and Organisational Development is £974,000 for 2005-06, inclusive of employers NI and pension contributions. The proposed structure would lead to senior management costs of £630,000, a saving of £344,000 per annum.

Regrading the current Director of Strategy posts to harmonise with the other Director pay scales would have an ongoing cost of £41,000 at 2005-06 pay rates, inclusive of employers NI and pension contributions.

There is a potential cost of the incentivisation payments for the Director of Business Transformation. These can be met from within existing BTP budgets.

Therefore the net annual saving stemming from implementation of all the above measures would be £303,000.

## **Risks**

The two separate directorates hold responsibilities for management of the Council's human and financial resources. The new directorate will need to maintain an equal view on both of these areas so that the Council can maintain a strong position on financial management, proper planning on deployment of human resources and development of strong diversity and equality policies. The other functions of the directorates need to continue the essential change management and monitoring roles to permit the council to meet its key objectives.

## **Implications if recommendations rejected**

Interim management will be required to cover the Business Connections vacancy whilst the post is advertised. There is likely to be difficulty in finding high calibre candidates for this post.

## **Section 2: Report**

### **2.1 Brief History**

- 2.1.1 The current directorate structure was approved by Cabinet in June 2002 and the directorates formally came into being on 1st October 2003. Two Executive Director vacancies have occurred in the last 4 months.
- 2.1.2 Urban Living represents one of the Council's two main operation directorates. Its services are very different from those in People First and so it is proposed that this vacancy is advertised in September 2005. This will enable the momentum of the last few months to complete the middle management review, implement performance management and other changes to be largely completed prior to recruitment starting.
- 2.1.3 The Chief Executive is carrying out the role of Executive Director to oversee the changes described above. An interim Executive Director would be of assistance to carry forward agreed changes until the new post holder could start. Recruitment advisors have been retained and it is suggested that they start the search for an interim immediately.
- 2.1.4 Business Connections and Organisational Development provide largely back office or support services, although pensions, housing benefit and council tax are customer-facing services. The structures of both directorates are shown in the appendices. Merging the directorates brings savings of a vacant Executive Director and two Director posts. It is proposed that the emerging directorate is called Business Development.
- 2.1.5 Two existing senior managers would be placed at risk of redundancy if they were not successful in obtaining jobs in the new structure. The posts are ringfenced in accordance with the organisational change agreement endorsed by the three party leaders. A Chief Officers Appointments Panel has been arranged on 2 August to deal with the situation.
- 2.1.6 There are no other direct changes in the structure below Director level. Some Group Managers would report to different Directors but their duties and responsibilities would remain the same. There will be other consequential changes affecting Executive Directors' support staff. These will need to be separately discussed with those concerned and UNISON.
- 2.1.7 When the structure was created, the Directors of Strategy across the Council were placed on a lower salary scale than the professional and area directors. Their workload has been heavier than anticipated so it is recommended that they be regraded to the same salary scale as these other Directors.
- 2.1.8 The Director of Business Transformation will be responsible for implementing the Business Transformation Partnership (BTP). This is a huge project and any shortfalls in timetable or outcomes would be catastrophic for the Council. It is proposed to agree staged outcomes for

the post holder, as defined by the Partnership Board that will oversee the BTP, with incentive payments available for the Director of Business Transformation on the successful achievement of these outcomes. The exact structure of these incentive payments would be determined by the Partnership Board in consultation with the Director, but should be restricted to no more than 15% of basic salary in any one financial year.

## 2.2 Options Considered

The existing structure could be maintained if members reject the proposals in this report. However an additional post would need to be created to lead the BTP.

## 2.3 Financial Implications

These are discussed in Section 1 of the report.

## 2.4 Legal Implications

There are no direct legal implications of this report.

## 2.5 Equalities Impact

There is no direct equalities impact in this report

### **Section 3: Supporting Information/Background Documents**

Background Documents: None.

The existing and proposed directorate structures are appended to this report.