



Northumberland County Council

REPORT TO COUNTY COUNCIL

5 January 2022

Revised Executive Management Structure

Report of the Head of Paid Service and Leader of the Council

Purpose of the Report

The purpose of this report is to seek approval to the implementation of the revised executive arrangements for Council.

Council Members were advised in September 2021 that Penna had been selected to support a review of the current executive and senior management arrangements. The first stage of the review covering the executive structure has been completed and the suggested Tier 1 structure is appended to this report (Appendices 1 and 2). The report also seeks approval to recruit to the Corporate Director Assurance/Statutory Monitoring Officer role on a permanent basis.

The second stage of the review is ongoing covering changes to Tier 2 and Tier 3 of the Council's management structures (including Director, Service Director and Heads of Service roles). The outcomes of the Tier 2 and 3 reviews will be reported through due Council process once completed.

1. Recommendations

To agree the following recommendations:

- 1.1 Agree the revised Tier 1 executive structure as detailed in Appendix 1, the Corporate Director Assurance/Statutory Monitoring Officer role on a permanent basis, and the Director role change in the People Directorate as Appendix 2 to this report.
- 1.2 Agree the changes to the underpinning People Directorate as set out in Appendix 2 of this report including the establishment of the Director of Adult Services (DAS) role. The Executive Director of People will continue to hold the formal role of Director of Children's Services (DCS). The statutory role of the Director of Adult Services, (DAS) is established at Band 16/17 and is subject to consultation under Tier 2. The current Executive Director Children's and Adult Services has been consulted about these changes.
- 1.3 Agree that the role of Corporate Director Assurance/Monitoring Officer is established at Band 16/17. This role includes the Statutory Monitoring Officer duties. The role will be externally recruited to on a permanent basis.
- 1.4 Agree that the three Executive Director roles as below are established Band 17/18. This equates to a reduction in one whole time equivalent executive role i.e. the vacant Executive Director HR/OD role. The work leads set out in Appendix 1 under each of the executive roles are indicative and subject to change on review by the Chief Executive in line with business need. The three roles will be subject to formal recruitment processes.
 - Executive Director Corporate Resources (Section 151 Officer)
 - Executive Director Communities
 - Executive Director Place Delivery
- 1.5 Agree the remuneration for all the identified roles as detailed above. The salaries for these posts are set at over £100,000 and need the formal approval of the full Council in line with the Council's Pay Policy Statement which states the following:

“Any appointment within the Council that attracts a salary package of £100,000 or more will be considered by Full Council before it is advertised. Members will be given the opportunity to vote on whether they agree with proceeding with the recruitment for the post. Salary package in this respect includes salary and any other fees, allowances, bonuses and benefits in kind that the post holder would routinely be entitled

to. This does not include the employers' pension contributions should the post holder choose to join a pension scheme."

- 1.6 Authorise the Council's Monitoring Officer to make the necessary amendments to the Constitution to reflect the changes proposed to the Executive Management Structure set out in this report. The delegation will be exercised in consultation with the Council's Constitution Working Group.

2. Links to the Corporate Plan

In line with Section 4 of the Local Government & Housing Act 1989, Northumberland County Council must ensure that it fulfils its duty to designate one of its officers as its Head of Paid Service.

The Head of Paid Service is required to report to the Council as appropriate with regard to the way in which the overall discharge by the Council of its different functions is coordinated, the number and grades of staff required for the discharge of these functions, the way in which these people are organised and managed, and the way in which they are appointed.

This report ensures that the Council is managed and governed in line with legislation and the structure of accountability is clearly set out transparently.

The revised proposed structure will align groups of services which will assist the management team to strengthen and focus oversight in specific service areas including commercial services, business development, and a renewed emphasis on tackling health inequalities.

The revised proposed service portfolios seek to improve strategic oversight of important programmes including climate change, service reviews and efficiency plans, and a strategic review of the Council's property and asset portfolios.

3. Background

- 3.1 Following a request by the Leader of the Council the Chief Executive is overseeing an externally supported review of the executive and senior management structures of the Council. Council was advised in September 2021 that Penna had been commissioned to support the Chief Executive with the review. Penna have undertaken forty interviews including all Cabinet Members, the opposition group

Leaders, and a number of senior staff. These interviews were undertaken on a confidential basis and have helped to shape the revised structure.

- 3.2 Penna have shared the findings relating to the Tier 1 roles and this report sets out a Tier structure which will enable the Council to move forward with recruitment to key roles to ensure stability and permanence at a senior level.
- 3.3 The review of Tier 2 and Tier 3 including Director, Service Director and Heads of Service roles, is ongoing and will be subject to a separate report which will go forward through the relevant Council processes when this ongoing work is completed by the Chief Executive/Head of Paid Service, supported by Penna.
- 3.4 The Council is required to appoint a Head of Paid Service in line with Section 4 of the Local Government and Housing Act 1989. The incumbent Chief Executive, Daljit Lally, fulfils this role.
- 3.5 The new role of Executive Director People will encompass the statutory role of Director of Children's Services (DCS). A new statutory role of Director of Adult Services (DAS) will be created which will report into the Executive Director of People. This role of Executive Director People replaces the current Executive Director of Children's and Adult Services and will be filled by Cath McEvoy-Carr who has been formally consulted on the changes and has raised no concerns/issues.
- 3.6 The role of the Director of Adult Services (Statutory Director of Adult Services (DAS)) is established at Band 16/17 and will be subject to tier 2 consultation.
- 3.7 The Chief Fire Officer role remains as established and the incumbent Paul Hedley fulfils this role.
- 3.8 The role of Corporate Director Assurance/Monitoring Officer is established at Band 16/17. This role includes the Statutory Monitoring Officer duties. This role will be recruited to on a permanent basis
- 3.9 Northumberland County Council has recently adopted a revised interim executive management structure, and this will remain in place until all new appointments are made. Other than the roles

outlined within this report no further consultation is required under the Tier 1 Executive Structure Review.

3.10 The three new Executive Director roles as below are established at Band 17/18. This equates to a reduction in one whole time equivalent executive role i.e. the vacant Executive Director HR/OD role. The three roles will be subject to job evaluation and recruitment processes.

- Executive Director Corporate Resources (Section 151 Officer)
- Executive Director Communities
- Executive Director Place Delivery

3.11 The Chief Executive has consulted the Leader of the Council and Cabinet members and members of the Council's Staffing and Appointments committee in developing these proposals for an Executive Management Team, which can provide long-term stability and support to Northumberland County Council, to achieve its strategic priorities.

3.12 There was a history of some shared posts with Northumbria Healthcare NHS Foundation Trust, and these are based on historical integrated health and social care arrangements which operated under a partnership agreement. Most of these roles no longer exist following changes to those partnership arrangements.

3.13 Note that the roles of Chief Executive/Head of Paid Service and Chief Fire Officer remain as established and that the title of the Executive Director Children's and Adults Services will change to become the Executive Director People. All three incumbent officers remain in post as full-time employees.

3.14 The remaining joint role of the Director of Transformation and Consultancy will be reviewed as part of the review of Tier 2/3 senior management roles and any changes will be subject to formal consultation.

3.15 The proposed Tier 1 Structure will provide a contribution towards the management savings required from the 2022/23 budget, as will any savings identified from the Tier 2 and 3 review and the review of Tier 4 supervisory and management arrangements.

4 Issues for Consideration

- 4.1 Penna as part of its supporting work has undertaken a review of arrangements across a range of comparative local authorities. This has included a review of structures, salaries and responsibilities. The Chief Executive and Penna have shared the findings relating to the Tier 1 roles with the Cabinet and this report sets out a Tier 1 structure which will enable the Council to move forward with recruitment to key roles to ensure stability and permanence at a senior level.
- 4.2 The selection process for the Executive Director roles in section 1.4 of this report will include Members drawn from across the Council, and panels will be arranged subject to agreement to this report by full Council. Where appropriate the relevant recruitment and appointments will be carried out in accordance with the Officer Employment Procedure Rules.
- 4.3 All additional roles are subject to evaluation through the Council's Job Evaluation (JE), as is the case for all County Council roles. In addition, market testing has been carried out by Penna based on current pay levels for existing senior officers in county and unitary roles. Based on that data, the bandings as set out are comparative and competitive salaries for the roles.

5 Proposed Job Descriptions and Gradings

The proposed job descriptions for the above roles have been drafted and evaluated using the Local Government Evaluation (LGE) job evaluation scheme. The grading of posts is as follows:

- Chief Executive: NJC Chief Executive
- Executive Director: NCC Band 17/18
- Director of Adult Services (DAS): NCC Band 16/17
- Corporate Director Assurance/Monitoring Officer NCC Band 16/17

All gradings for these posts will be published on the Council's website in line with the requirements of the Local Government Transparency Code (2015).

The salary bandings are as follows:

<u>2020/2021</u>		
<u>Scale Points</u>	<u>Pay</u>	<u>Pay Band</u>
64	<u>92866</u>	<u>16</u>
65	<u>95681</u>	<u>16</u>

<u>66</u>	<u>98494</u>	<u>16</u>
<u>67</u>	<u>101308</u>	<u>16</u>
<u>68</u>	<u>111450</u>	<u>17</u>
<u>70</u>	<u>122595</u>	<u>17</u>
<u>72</u>	<u>133741</u>	<u>17</u>
<u>73</u>	<u>135077</u>	<u>17</u>
<u>77</u>	<u>146334</u>	<u>18</u>
<u>81</u>	<u>157602</u>	<u>18</u>

6 Processes associated with Managing the Changes to the Executive Management Team Structure

All changes to the new Executive Management Team Structure will be managed in line with the Council's Management of Organisational Change Policy HRP-06-V1 and these new roles will be factored into that process. The relevant consultations have been undertaken under Tier 1.

7 Other Options Considered

Other options were considered specifically in relation to the creation of a DAS role. Such as

1. Do nothing – this option was discounted as this would not deliver any of the desired benefits including aligning groups of services to strengthen and focus oversight in specific service areas and of strategic programmes including climate change, service reviews and efficiency plans, property and asset portfolios.
2. The Exec Director People retaining the statutory DAS role within her current responsibilities – this option was discounted on the basis that additional capacity and focus is required in this area at a time when the service is experiencing a range of significant challenges.

Daljit Lally
Chief Executive/Head of Paid Service

Implications:

- Policy:** This policy is in line with Council policy. The Transparency Code will be amended as appropriate.

Finance and value for money:	The posts will be recruited as described within the report. The Tier 1 Structure will provide a contribution towards the management savings required from the 2022/23 budget savings.
Legal:	The Council has to ensure that it will follow relevant agreed workforce policies and also follow the Council's constitution in respect of recruitment and appointments. In particular the officers employment procedure rules
Procurement:	Not applicable.
Human Resources:	All contractual changes will be made accordingly and any permanent appointments made in due course will be subject to a formal appointment process in line with best practice.
Property:	Not applicable.
Equalities:	An Equality Impact Assessment has not been prepared for this change in establishment.
Risk Assessment:	The risks within the paper are regarded as manageable if the proposed changes are made.
Crime and Disorder:	Not applicable.
Customer Consideration:	Strong leadership within the Executive Management Team will ensure improved services for the population of Northumberland.
Carbon Reduction:	Not applicable.
Wards:	The proposals are not related to any particular ward but cover the whole of Northumberland.
<u>Background papers:</u>	
None.	

Report sign off:

Authors must ensure that officers and members have agreed the content of the report:

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