

HR COMMITTEE – 11 AUGUST 2022

LEADERSHIP REVIEW OUTCOME REPORT

1. RECOMMENDATION

1. That HR Cttee note and agree the contents of this report with a view to making recommendations to council on the recruitment of a Strategic Director of Place, Operations and Sustainability.
- 1.2 That HR Cttee accept the recommendations from the independent pay consultant and recommend to council to adopt the revised pay banding.

2. INTRODUCTION

- 2.1 The Chief Executive has established that the leadership of the organisation includes her role as Chief Executive (Tier 1), the Executive Heads (Tier 2) and Service Managers (Tier 3). Regular leadership meetings have been established and a development programme is underway to build strategic leadership including understanding of best practice, leading change, and working collaboratively.
- 2.2 The Chief Executive is now in a position to review the current structure and a proposal has been put forward which reviews Tier 2 of the authority. The proposal means moving from the existing four Executive Heads to a position of three Strategic Directors. See Appendix 1.
- 2.3 The report also indicates that once the Strategic Directors are in place it would be reasonable to review the current structures below them. This may include introducing Assistant Directors where appropriate given a range of factors including proposed structure for the Directorate, scope of service and level of responsibility.
- 2.4 The report takes into account the recommendations of an independent pay consultant in terms of where the Strategic Director posts should be positioned within the council's current pay structure. Appendix 2

3. CONSULTATION PROCESS

- 3.1 A comprehensive consultation process has been undertaken. This included one to one sessions for those directly affected and briefing sessions for those indirectly affected.
- 3.2 The report was also shared with Employee Side as part of our agreed consultation process.

4. CONSULTATION OUTCOME

- 4.1 The comments that relate directly to the move to three strategic Directors and the introduction of Assistant Directors have all been shared with Employee Side as part of our normal consultation process. All the comments received were positive and there were no negative comments received.

- 4.3 There were some individual comments about where the Assistant Director posts may sit within the structure and these will be considered by the Strategic Management Team once the team is in place.
- 4.3 The positive focus of the comments in general were:
- The proposed structure was welcomed and would enable the council to deliver its priorities.
 - Agreement that this would give renewed focus to the strategic leadership.
 - Greater clarity of roles to enable a greater steer and develop a clear corporate direction
 - The critical need for the right skills and understanding at a senior level to ensure the Council realises the opportunities available.

5. CONCLUSIONS

- 5.1 There have been no objections raised through the consultation process to the move to having three Strategic Directors and no objections raised to the introduction of Assistant Directors.
- 5.2 It is proposed that we to move to a Tier 2 structure with 3 strategic positions:
- Strategic Director – Housing, Communities and Governance
- Strategic Director – Corporate Resource and Transformation
- Strategic Director – Place, Operations and Sustainability.
- 5.3 Under our existing policies and based on the suggested groupings there would be two natural successors for the posts above; Strategic Director - Housing Communities and Governance and Strategic Director - Corporate Resource and Transformation.
- 5.4 There is no natural successor to the post of Strategic Director - Place, Operations and Sustainability. It is recommended that we engage the services of an Executive Search Agency to ensure that we attract the best candidates from the widest possible field for this post.
- 5.5 To take account of the recommendation of the independent pay consultant it is proposed to reposition the grade of Strategic Director within the councils pay structure as set out in 6.3 below. The consultant's report is attached as Appendix 2.
- 5.6 An appropriate selection process and Appointment panel would need to be established and approved. The recommendation for the appointment panel is likely to be Leader, Deputy Leader, two relevant Portfolio Holders, Leader of the Oppositions and the Chief Executive. The panel will be supported by a member of the Executive Search agency and the Service Manager Human Resources.

6. FINANCIAL IMPLICATIONS

- 6.1 The proposed restructure, going from four Executive Heads to three Strategic Directors, will result in an estimated saving in the region of £113,000 per annum.
- 6.2 The job descriptions for the new Strategic Director posts are based largely on the current job descriptions for existing Executive Heads. (with some repositioning of services) However there is a requirement to operate at a more strategic level, playing a

greater role in the collective leadership of the organisation including wider partnership working across Hampshire, and the transformation of the Council and its services.

- 6.3 An independent review of the job description for the Strategic Director-Place has indicated the lower and upper limits of an appropriate pay range. This placed the market median rate at £94,500 with the lower limit being £88,830 and the upper limit being £100,171. Translating that into the council's current pay scale it would make the appropriate pay range for tier 2 roles from SCP 74 (being £89,216) to SCP 76 (being £94,584) with the two performance points being SCP 77 (£97,437) and SCP 78 (£100,358). This revised placement within the pay spine will result in additional costs in the region of £33,000 per annum. Therefore, the net saving at tier 2 is £80,000 per annum.
- 6.4 It is anticipated that the tier 3 structure will be reviewed, and this will include the ability to appoint to new Assistant Director positions which would be at Grade 12. Any additional capacity at this level will be targeted to ensure that we continue to meet the Council's priorities.
- 6.5 The investment in senior leadership through this review will require funding of up to £200,000 per annum to be included within the Council's Medium Term Financial Plan. The wider leadership team of the Council will all be clear on the role they will play in delivering a modern and transformed Council, including the delivery of necessary savings and income required to balance the Council's budget over the medium term. Any one-off redundancy costs arising as a result of this review will be funded by accrued reserves.

7. ENVIRONMENTAL IMPLICATIONS

- 7.1 There are no direct environmental implications arising from this report.

8. CRIME & DISORDER IMPLICATIONS

- 8.1 None

9. EQUALITY & DIVERSITY IMPLICATIONS

- 9.1 There are no direct implications arising from this report
- 9.2 Any Executive Search Agency that we use will follow strict codes of practice in relation to equality legislation.

10. EMPLOYEE SIDE COMMENTS

- 10.1 No comments received

For further information contact:

Name: Heleana Aylett
Title: Service Manager HR
Tel: 02380 285662
E-mail: Heleana.aylett@nfdc.gov.uk

Background Papers
Appendix 1 – Proposed Structure
Appendix 2 – Pay Report