

REPORT TO: CHIEF OFFICERS EMPLOYMENT COMMITTEE

DATE: 8 JUNE 2016

HEADING: RECRUITMENT AND APPOINTMENT OF SERVICE DIRECTORS

REPORT BY: CHIEF EXECUTIVE

KEY DECISION: NO

SUBJECT TO CALL IN: NO

1. PURPOSE OF REPORT

The report seeks approval for changes to the Chief Officer structure further to the outcome of the Cabinet meeting on the 26th May 2016 which considered the Corporate Leadership Structure and realignment of some third tier management functions.

2. RECOMMENDATION(S)

2.1 To delete the post of Service Director, Economy, from the Establishment.

2.2 To approve the creation of the posts of Service Director Planning and Economic Development and Service Director, Housing in line with the job descriptions and person specifications detailed in Appendix C and D respectively. The salary level reflects that awarded to current service directors.

2.3 That the Service Director Planning and Economic Development is advertised externally and that a specialist recruitment agency will be appointed to manage the process.

2.4. That the proposed recruitment process is approved.

2.5 That for the Service Director Housing post the timing of recruitment to this role is delegated to the CEO (the appointment remains a committee appointment)

2.6 To approve the changes in line management for Service Directors as set out in this report and to delegate implementation of these changes subject to minor amendments arising from the consultation to the Chief Executive.

2.7 To ensure the necessary changes to reporting arrangements are reflected in the Job Descriptions of the Chief Executive and Deputy Chief Executive, on the Establishment and organisational structure.

2.5 To re-designate the post of Service Director Corporate Services to Service Director Corporate Services and Transformation.

3. REASONS FOR RECOMMENDATION(S)

As set out in the body of the report.

4. ALTERNATIVE OPTIONS CONSIDERED (with reasons why not adopted)

4.1 To maintain the interim Directors or revert to a single director. As described in the report given that the Director Economy post was previously considered too diverse it would not be practicable to maintain a single post with the addition of a large operational service responsibility such as housing management. The Interim Directors have been a real asset but long term cost effectiveness is best achieved by two dedicated permanent roles.

5. BACKGROUND

5.1 The current structure is set out at Appendix A. The proposed structure is set out in Appendix B.

5.2 There are currently three Service Director posts on the Establishment covering Corporate Services, Environment and Economy. The Service Director Economy left the Council in July 2015. It was recognised during the tenure of the post holder, Service Director Economy that the workload was significant, complex and highly diverse and there was insufficient capacity at Service Director level to meet all the demands of the post.

5.3 In August 2015 , it was agreed rather than replace the post holder like for like the Council would appoint two interim Service Directors one covering Housing and undertaking the Housing Stock Option Appraisal and the other to lead on Regeneration and Economy, driving forward the new Local Plan and reviewing the Regeneration Shared Service Arrangements.

5.4 The interim arrangements have worked well and allowed the Council to effectively focus on our priorities of economic growth and regeneration and our housing offer to residents. It is therefore proposed to separate these responsibilities on a permanent basis, creating two Service Directors posts.

5.5. The new post of Service Director Planning and Economic Development will drive forward the Council's ambitions to facilitate sustainable growth and investment in the District. It will involve leading engagement with communities and stakeholders, working with partners and developers and coordinating the Council's input across its services and activities to deliver sustainable improvements and investment.

5.6 On April the 14th 2016 the Council approved a recommendation to directly deliver housing management services and to review the existing Council structure so that it is best placed to receive the new services. As a result it is proposed to create a new post of Service Director Housing. Housing is one of the identified priorities for the Council and this role will oversee the Council's approach to housing including the operational delivery of services to tenants post the transfer of functions from Ashfield Homes to the Council.

5.7 Given the transition period the Service Director Housing role, if approved, will be advertised at the most appropriate point to ensure adequate senior management cover. Prior to recruitment the Council will retain the services of the Interim Director Housing.

5.8 Job descriptions and person specifications for the two proposed new posts have been developed and are set out in Appendix C and D

5.10 Recruitment to the New Service Director Posts

5.10.1 Service Director – Planning and Economic Development

In previous restructure exercises the Council has looked to create a largely generic Service Director role and have appointed candidates to the best match. Whilst in principle the generic service director allows flexibility and resilience in the organisation with this appointment we are looking to secure a candidate with a strong planning, regeneration and economic growth background with considerable experience and expertise.

It is therefore proposed, subject to approval by Chief Officers Employment Committee, to externally recruit to the post of Service Director Planning and Economic Development, as soon as practicable following the appropriate approvals. Internal candidates may apply and will be subject to the same shortlisting and interview process concurrently with external candidates.

5.10.2 Service Director – Housing

Following the decision to bring the Housing function back to the Council it is proposed to create a new post of Service Director, Housing. The report seeks approval to create the post and to delegate (subject to approval by the Chief Officer Employment Committee) to the Chief Executive the timing of recruiting to this role. The process will mirror that of the Service Director Planning and Economic Development and be conducted simultaneously if appropriate.

Early discussions with AHL indicate that the Board's preference is that all employees from AHL will transfer wherever possible under the Transfer of Undertakings and Protection of Employment (TUPE) on an agreed date on or before 30 April 2017. TUPE essentially means that Ashfield Homes (AHL) employees would be eligible to transfer to the District Council in their current roles and on their current terms and conditions of employment at the point of transfer.

The Council wishes to ensure that it has appropriate senior management capacity and that the suitable handover periods are in place to support the transition of services from AHL to Council control. The Council may choose to recruit to the Service Director, Housing post ahead of the transfer and the timing of this recruitment will be discussed with AHL and be part of the considerations in the transition process.

5.10.3 If the committee decides that the posts are to be exposed to full market testing then it is usual practice for the Council to use a specialist recruitment agency for search and selection purposes. In anticipation of this a specification has been sent to several agencies requiring each agency to give an estimate of the cost of a recruitment exercise and how it would be conducted.

5.10.4 It is proposed to publish the advert for the post in the Municipal Journal. This would be accompanied by a micro-site for potential candidates who want more information about the post. It is suggested that as a next step an initial sift of the applicants takes place, to produce a long list of candidates. These applicants will be interviewed by the recruitment agency in conjunction with the Chief Executive, to identify those most suitable to be interviewed by the Committee.

5.10.5 All shortlisted candidates will participate in an assessment centre prior to interview by the committee. Feedback on candidates will be given to the Committee ahead of the final interview.

5.10.6 Indicative Recruitment Timetable

Action	Dates
Set up, write advert, book space	09.06.2016
Advert to appear w/c	16.06.2016
Closing Date	30.06. 2016
Longlist Interviews	06.07.2016
Shortlist	08.07.2016
Assessments/ On-line testing	08.07.2016
Final Interviews (Assessment Centre)	13.07.2016

5.10.7 Terms and Conditions of Employment

The terms and conditions of employment for the post of Service Director are governed by the Joint National Council (JNC) for Chief Officers and it is the practice of this Authority for the JNC protocols to be applied. The Council's employment policies are also applicable.

The Salary for the post Service Director was determined by this committee and are referred in the minutes of 18 February 2011 at CO4.4 – resolution C. The current single point salary for Service Directors is £73,144.

5.11 Realignment of Chief Officers responsibilities

5.11.1 The Deputy Chief Executive

In the current organisational structure the Service Directors report to the Deputy Chief Executive. Following the appointment of the new Chief Executive (CEO) in June 2015, regular one to one meetings are being conducted directly between the Service Directors and the CEO. It is proposed to make these arrangements permanent and this report seeks approval to do so.

This supports a more, agile and responsive organisation, which is less hierarchical with a flatter structure that can facilitate faster decision-making, improved understanding and co-operation and increase employee empowerment.

5.11.2 Service Director, Corporate Services

The current structure has the Corporate Communications and Performance Improvement Teams reporting through the Communications Manager and Performance Improvement Manager to the CEO. These are corporate, cross cutting services which are best managed within the Corporate Services Directorate. It resolves the anomaly of third tier officers reporting direct to the CEO.

A decision was taken to extend the contract of the Temporary Transformation and Technology Manager until September 2016 to support the development of the Organisational Development Strategy as the Council aims to create a productive workforce that delivers services well with the provision of technology assisting us with agile, mobile and responsive working. Aligning the services that can deliver the OD strategy into a single directorate will enable the Service Director to deploy the resources effectively and again speeds up the decision- making process. Further reports to Cabinet will be taken to seek approval to further develop the organisational structure to support the commercialisation and transformation agenda.

To reflect these changes the post of Service Director Corporate Services will be re-designated Service Director, Corporate Services and Transformation.

5.11.3 Service Director – Environment

It is recommended that the line management for Private Sector Housing Enforcement (PSHE) is transferred to the Service Director Environment who is already responsible for enforcement activities across the Council. PSHE will sit under Environmental Health and report in via the Environmental Health Manager as an interim measure until a future wider review is conducted. This will align the Council's enforcement activity and ensure that further opportunities for joint working across the Council and its partners are realised.

5.11.4 Service Director – Planning and Economic Development

A further realignment will be that the client management for Property Services is transferred from the Service Director, Corporate Services to the Service Director Planning and Economic Development as this is predominately an outward-facing, business generating function with close links to regeneration.

5.12 All employees affected by these reporting changes will be consulted along with the respective Trade Unions. Whilst line management changes do not technically fall under the Restructuring and Redundancy Policy in line with best practice we would like to extend the opportunity for employees to be consulted on these matters. Formal consultation will commence as soon as practically possible following the approval of the recommendations outlined in this report. The consultation period will be concluded within 30 days.

5.13 Table of proposed changes

Existing role	Proposed Change	HR and governance process
Deputy CEO	Amended Service Director line management now reporting to the CEO	Report to COEC and Consultation
Service Director Environment	New line management for Private Sector Enforcement. SDE reporting to the CEO	Consultation following Cabinet report
Service Director Corporate Services	Change of job title. New line management for Corporate Communications and Corporate Performance. Reporting to the CEO.	Consultation following Cabinet report
Service Director Economy - vacant	Delete post	Report to COEC following Cabinet report
Housing Strategy Manager	Delete Post	Redeployment and Redundancy Policy Applies
Corporate Communications Manager	Change in line management now reporting to Service Director Corporate Services and Transformation	Consultation following Cabinet report
Corporate Performance and Improvement Manager	Change in line management now reporting to Service Director Corporate Services and Transformation	Consultation following Cabinet report
Private Sector Enforcement Manager	Change in line management now reporting to Environmental Health Manager through to SD Environment on an interim basis pre AHL transfer	Consultation following Cabinet report
Property Services Manager (Shared Service)	Client management will change to the new role of Service Director Planning and Economic Development – post recruitment to that role	Consultation – Shared Service provider

6 IMPLICATIONS

Corporate Plan:

The proposed changes have been initiated in response to the revised Corporate Plan and are designed to provide capacity and expertise in key priority areas identified in the Corporate Plan.

Legal:

In accordance with Part 3 of the Constitution which sets out the Terms of Reference for committees of the Council, the Chief Officers Employment Committee is responsible for determining the job descriptions and person specifications for the appointment of Chief Officers (also defined in the Constitution in Article 11 and which includes Service Directors). The Chief Officers Employment Committee is also responsible for determining the arrangements for recruitment.

Financial:

The Council's General Fund Revenue Budget includes the funding for the current posts of Service Director (Economy) (£100k including on-costs) and Housing Strategy Manager (£56k including on-costs).

These would be replaced by the Service Director (Planning and Economic Development) (£100k) and the Service Director (Housing) (£100k).

At the next budget review, budgets will be amended accordingly. As stated in the "Future of Housing Management" report to Council in April, additional savings of £500k are expected from this exercise. The changes proposed in this report are factored into this figure; these are expected to meet the additional cost of £44k between the current and proposed management arrangements. It should be noted that the existing combined management costs of ADC and AHL will be reduced once the transfer and associated structural amendments are made.

Therefore when the exercise is complete, these additional costs will be met within the Council's existing budgets.

In the 2016/17 budget, because

- The Housing Strategy Manager post is scheduled to be deleted as part of the recommendations of this report, and therefore a salary saving will accrue, and
- the new Service Director (Housing) will not be in post until the autumn at the earliest, and
- separate budget provision has been made for the current interim role

The proposals contained in this paper will have minimal impact on the 2016/17 General Fund Revenue Budget.

Costs of Recruitment

Details to be finalised on receipt of tenders.

Service/options	Indicative Cost/fee
Search and sift: briefings, writing advert, adding role to own website, search/headhunt, receipt of applications, sift of applications and report with recommendations, longlist meeting. Including all administration and candidate liaison including feedback.	£10,000
Longlist interviews: held at council offices & feedback for shortlist. Anticipated to involve one day interviewing and follow up report writing.	£3,000
Final panel support: briefing candidates, supplying questions/topics, attendance and	£3,000

facilitation, all feedback, supporting final panels, etc.	
Advertising costs	At cost
Assessment and Test costs	At cost

The Council does not budget separately for recruitment costs. These are usually funded from underspendings on salaries where vacant posts exist. Because of the usual level of vacancies across the Council, the costs of this recruitment will not lead to an overspend against the salaries budget.

Health and Well-Being/ Environmental and Sustainability:

None arising.

Human Resources:

Human resources implications are contained within the report. All employment policies, procedures and protocols will be applied as appropriate.

Diversity and Equality:

None arising

Community Safety:

None arising

Other Implications – Employees/ Trade Unions

Trade Unions are informally aware of the proposals and will be consulted as part of the 30 day consultation.

EXEMPT REPORT

BACKGROUND PAPERS

Nil

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