

EAST HERTS COUNCIL

HUMAN RESOURCES COMMITTEE - 31 AUGUST 2006

REPORT BY CHIEF EXECUTIVE

5. SENIOR MANAGEMENT ARRANGEMENTS FOR EAST HERTS COUNCIL

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WARD(S) AFFECTED: ALL

'D' RECOMMENDATIONS

- A) That the new management arrangements as set out in Appendix 'A5' of this report be agreed
- B) That the Chief Executive undertakes actions to implement the new arrangements, including the recruitment and selection of Directors as set out in section 5 of this report
- C) That the Chief Executive be authorised to appoint Members to the Interview Panel(s)
- D) That the Interview Panel(s) have full delegated authority from the Committee on behalf of the Council to make the appointments (subject to rules requiring Council to confirm the statutory functions (Monitoring and chief finance officer(s))).

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1.0 Purpose of Report

- 1.1 To determine new management arrangements for the effective working of East Herts Council

2.0 Contribution to the Council's Corporate Objectives

- 2.1 The Council's management arrangements contribute directly to all the council's corporate objectives

### 3.0 Background

3.1 The new Chief Executive took up appointment in June 2006. One of her key responsibilities was to review the Council's management arrangements to ensure that those arrangements reflected the Council's newly agreed priorities; its new Constitution and the initial structural changes that had resulted in her appointment.

### 4.0 Report

4.1 East Herts Council is recognised as a good council, providing good services to its residents and leadership to its communities. However Members have reviewed the Council's priorities and set a clear policy direction to enable the Council to modernise its functions and focus on performance and service improvement and achieving value for money. In particular members wish to see East Herts Council as:

- An excellent Council
- Providing first class services and value for money
- Leadership to our communities
- Accessible, welcoming and reliable
- Striving for service and performance improvement

4.2 The current management arrangements largely relate to the former structure and the Chief Executive considers that service delivery and performance improvement are achievable with a re-organisation.

4.3 The proposed new structure is set out in Appendix 'A5' (Page 5.7).

4.4 In the new structure, the Chief Executive will lead a management team of herself and 3 Directors. Additionally she will have line management responsibility for the areas of policy and performance, reputation management and communications and the management and development of staff. These functions are critical to the future performance of East Herts Council and for differing reasons in each case, require significant management attention. She also continues to act as Head of Paid Service and Electoral Registration Officer.

4.5 The Director of Internal Services will manage all internal functions, except where those functions are directly related to providing front office support (for instance web and telephony services). There are areas which will undergo review within this Directorate to ensure effective service configuration and value for money including Member services, asset management, and IT services. The

Monitoring Officer and the section 151 chief finance officer functions will be assigned to the Director or a next-tier officer within the Directorate dependent upon the qualifications of the personnel.

- 4.6 The Director of Environmental Services will be responsible for regulatory functions, community safety, wellbeing and environmental protection matters. A major part of the Directorate will focus on strategic and development control planning matters bringing together building control, planning and also housing officers. This will ensure the Council can discharge its overall strategic objectives and responsibilities through coordination of implementation functions.
- 4.7 The Director of Customer and Community Services will be responsible for the services that residents use with often daily or weekly frequency. On-street services will bring together waste collection, recycling, parking, verge and grass maintenance. Leisure, open spaces cultural and economic development services will be united into one area that will ensure that there is close alignment with community planning and engagement. Previously these functions were dispersed across the organisation. Customer Services will provide the first point of contact with the Council's residents – whether directly or by phone or web. This service will also be responsible for ensuring the accessibility of all information and advice provision from the Council – although the provision itself will often rest elsewhere. Improving customer services that reflect residents' needs will be a major focus across the Council and an area where efficiencies will be expected through process redesign.
- 4.8 Whilst each Director focuses on the leadership of their directorate, delivery to performance targets and the management of resources, they will also undertake responsibility for corporate areas requiring improvement. They will therefore also be responsible for leading cross-council teams with remits that range from policy development through to challenge or review and implementation programmes. The project management toolkit will provide the structure for these work programmes.
- 4.9 The Corporate Management Team will designate Lead Officers responsible for coordinating officer support for particular aspects of the decision making and scrutiny processes. They will also ensure that within their teams suitable contact arrangements are in place. This will enable Members to have simplified point of contact arrangements, senior officer support for committees and for the decision making process. Support for Members, committee and

constitutional matters will still rest with Member Services.

## 5. Recruitment and Selection arrangements

5.1 The Directors will be recruited internally from the ring fencing of current Director postholders, employed on permanent employment contracts. The existing two interim Directors will not be part of this process, and their assignments with the Council will end when the new structure is operational and working such that their services are not required. However the focus of the new posts will be very different to the current Director posts and post-holders will need to be clear about the leadership and management expectations that will be placed upon them. In order to consider whether they wish to apply for these posts, each Director will be offered career coaching provided by an external career coach. The coach will ensure that the current Directors have every opportunity to evaluate and develop their own skills in preparation for the selection process and also to consider how the new roles will meet their career and life expectations. The outcomes of these discussions will not form any part of the selection process.

5.2 New job descriptions and person specifications will be drawn up and evaluation undertaken in accordance with the Council's HR policies.

5.3 The selection process commencing in September/October 2006 will be by formal application followed by an assessment centre where management, leadership and team working competencies will be assessed. The final decision will be taken following an interview conducted by a Member Interview Panel in accordance with the requirements for Chief Officer appointments in this authority. It follows that one Director will need to be redeployed or made redundant. The power to appoint chief officers is delegated by the Council to this Committee and it is suggested that the Committee authorise the Chief Executive to appoint the Member Interview Panel(s) after consultation with the political group leaders (the proportionality rules will apply).

## 6.0 Consultation

6.1 This report has been issued to current Director postholders and the Unison Branch Secretary. Any response will be reported at the meeting. The Chief Executive has also carried out the following:-

- Meeting with Directors
- Meeting with Unison Branch Secretary
- Meeting with Heads of Service

- 4 open meetings with staff
- Meetings with Conservative, Liberal Democrat and Independent Group Members
- Placed an indicative structure on the Council's Intranet

## 7.0 Legal Implications

7.1 The Council should comply with the relevant legislation and the Council's policies. Recruitment procedures should be compliant with discrimination legislation. All redundancy or redeployment legislation should be followed including consultation and adequate notice. Any severance should comply with the Council's policies and regulations.

## 8.0 Financial Implications

8.1 As a result of reducing the budgeted establishment from 6 to 3 Directors, a saving of £260,000 will occur in a full year.

8.2 The proposed restructuring reduces the number of Directors actually employed by one. This officer will be redeployed or redundant. At this stage it is not possible to give the exact financial consequences as the member of staff redeployed/redundant is unknown and the costs will vary depending on their individual circumstances.

8.3 In order to give Members an indicative cost/saving of the restructure, a range of severance costs have been calculated. An assumption of a modest enhancement to any officer that is retired by way of redundancy has been made. The exact details of severance will depend on the new policies that are to be put to the Council.

8.4 As a result of the new responsibilities of the Directors the posts will need to be evaluated, that may result in slight salary changes. An allowance in savings to the Council has been made for this.

8.5 With a range of severance costs the saving from the top management restructure as shown in the report range from initially around £220,000 to £86,000 in a full year. If the officer not appointed retires, the severance costs will occur for 3 years and will reduce by around £48,000 for years 2 and 3 and then the full savings will accrue. If redeployment occurs then the savings will be at the higher level of around £220,000.

8.6 As a result of the restructuring a rationalization of posts a lower

levels will occur. It is recommended that the savings that accrue from this report be used to fund any changes at lower level. This being in line with the Council's policy of redirecting the resources to front-line services.

9.0 Human Resource Implications

9.1 The human resource implications are contained within the report

10.0 Risk Management Implications

10.1 The process needs to be managed carefully to minimise the potential for claims from affected personnel and to ensure continuous effective and efficient management at the top of the organisation to deliver services to our customers.

Background Papers

None

Contact Member: Cllr Tony Jackson - Leader

Contact Officer: Anne Fisher – Chief Executive Ext 1403

**CHIEF EXECUTIVE**

**Responsibilities**

- Performance
- Policy
- Communications
- Human resources
- Organisational development
- Elections

**DIRECTOR OF INTERNAL SERVICES**

**Responsibilities**

- Finance
- Revenues
- Benefits
- Asset Management
- Property
- Facilities Management
- Member & Democratic Services
- Legal Services
- Internal Audit
- IT
- Internal Customer Services

**DIRECTOR OF ENVIRONMENTAL SERVICES**

**Responsibilities**

- Planning Policy
- Development Control
- Building Control
- Community Safety
- Environmental Health
- Housing
- Markets
- Pest Control
- Licensing

**DIRECTOR OF CUSTOMER AND COMMUNITY SERVICES**

**Responsibilities**

- Customer Relations
- Refuse and Recycling
- Street Cleansing
- Leisure and Culture
- Community Planning
- Economic Development
- Parking