

Cabinet  
8 July 2021

**Title: Costs of Proposals of Joint Senior Management Team**

**Lead Officer:** Chris Elliott, Chief Executive, 01926 456003;

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**Portfolio Holder:** Andrew Day

**Public report**

**Wards of the District directly affected:** All

Contrary to the policy framework: No

Contrary to the budgetary framework: Yes

Key Decision: No

Included within the Forward Plan: No

Equality Impact Assessment Undertaken: No

Consultation & Community Engagement: None

Final Decision: Yes

Accessibility checked: Yes

<b>Officer/Councillor Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive	21.06.21	Chris Elliott
CMT	21.06.21	Andrew Jones, Chris Elliott, Dave Barber
Section 151 Officer	21.06.21	Mike Snow
Monitoring Officer	21.06.21	Andrew Jones
Finance	21.06.21	Lorraine Henson
Portfolio Holder(s)	21.06.21	Andrew Day

## 1. Summary

- 1.1. This report seeks approval for the variation in estimated costs and savings arising from the proposals for a joint Senior Management Team with Stratford on Avon District Council that were agreed by the Employment Committee on 15<sup>th</sup> June 2021.

## 2. Recommendations

- 2.1 That Cabinet agrees that the additional costs above what has been included in the Budget and MTFS, with this funded by:-
- For 2021/22 to agree £29,000 funding from Contingency to cover the projected shortfall in savings.
  - Additional Recurring costs of £77,000 (2022/23) and £234,000 (2023/24 onwards), be included in the Medium Term Financial Strategy.

## 3. Reasons for the Recommendations

- 3.1 In February 2021 both Stratford on Avon District Council and this Council agreed to seek a merger by 1<sup>st</sup> April 2024. At the same meeting it was also agreed to seek a complete integration of the Heads of Service posts of both Councils. That work having in any case started in the summer of 2020 was roughly half completed by March this year and so the focus since has been to complete that process. The proposals to complete the work were approved by the Employment Committee on 15<sup>th</sup> June 2021.
- 3.2 In February 2021, the budget proposals made allowance for significant savings arising from having joint Heads of Service. Those were a broad estimate and related to the report produced by Deloitte that accompanied the report on the merger. More detailed work and changes to some assumptions has revealed some differences between the estimates at that time and those forming part of these current proposals.

Table 1

	2021/22	2022/23	2023/24
	£000	£000	£000
<b>WDC</b>			
Savings	-120	-147	-320
5% shared Head of Service	33	31	27
Planning Post – saving	-27	-41	-41
Savings on DCE	-106	-127	-127
Climate Change Director	0	0	59
<b>Total</b>	<b>-221</b>	<b>-283</b>	<b>-401</b>
Savings included in Budget/MTFS		-360	-635
<b>Variance</b>	<b>29</b>	<b>77</b>	<b>234</b>

- 3.3 Table 1 illustrates that compared to the original estimate in February 2021 the proposals will over the period to April 2024 will achieve just over £400,000 recurring savings. This is however, £29,000 less than estimated this current year, £77,000 less for 22/23 and £234,000 for 23/24.

- 3.4 It is proposed that these differences are addressed through the use of £29,000 from the contingency fund for this financial year and that the MTFS is updated to reflect the need for additional savings/income in 22/23 and 23/24. This will be considered in more detail alongside progress on other savings in the Q1 budget report to the August Cabinet.
- 3.5 Some of the differences can be accounted for as follows:
- Savings on overall Management Team costs are shared pro rata to the starting position – in this case 60/40 whereas the original February 2021 version assumed a simple 50/50 split. This reduces the savings to WDC but enables savings for SDC required to make it equitable for both parties. The 60/40 split is in line with the costs of Management Team ahead of the joint working and recognises the additional management costs associated with the Housing Revenue Account.
  - The Programme Director for Climate Change costs are included as a recurring cost from April 2023 (shared SDC/WDC). This had not been assumed in February 2021.
  - Heads of Service in shared posts have a 5% honorarium, pending future review of salaries in 2022. In the absence of any further information of what will come out of this review, the 5% has been included within the figures beyond 2022. This also was not assumed in February 2021.
  - The initial configuration of posts involves 12 Heads of Service, 2 more than anticipated to be the position come 23/24. This number will reduce over this period as will the Chief Executive positions from 2 to 1.
  - The Head of Place and Economy post involves savings from an existing Planning Management post but also involves initially a slighter higher cost. This had not been anticipated in February 2021.

## 4. Policy Framework

### 4.1. Fit for the Future (FFF)

- 4.1.1. The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report will contribute to enable the delivery for implementing the Council's vision by securing substantial savings.
- 4.1.2. The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). Section 4.2 below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

### 4.2. FFF Strands

#### 4.2.1 External impacts of proposal(s)

**People - Health, Homes, Communities** – The proposal will not contribute to this directly.

**Services - Green, Clean, Safe** - The proposal will not contribute to this directly.

**Money- Infrastructure, Enterprise, Employment** - The proposal will not contribute to this directly.

4.2.2. **Internal impacts of the proposal(s)**

**People - Effective Staff** – The proposals enable for an effective deployment of senior manager's resources to best serve the existing 2 Councils and to lay the foundation for a new merged Council.

**Services - Maintain or Improve Services** – The proposals will help to ensure that resources are saved so that both Councils can maintain or improve services.

**Money - Firm Financial Footing over the Longer Term** – The proposals will deliver a substantial level of savings which are part of both Council's plans to achieve financial sustainability.

4.3. **Supporting Strategies** - Each strand of the FFF Strategy has several supporting strategies. The MTFS is relevant in this context.

4.4. **Changes to Existing Policies** – The report does not propose any changes to existing policies.

4.5. **Impact Assessments** - No impact assessment has been undertaken for this report because the focus is on the internal structure of both Councils.

**5. Budgetary Framework**

5.1. The budgetary situation is set out in Section 3 of this report.

**6. Risks**

6.1. The proposals agreed by the Employment Committee deliver most of the savings now estimated. The remaining as yet undelivered savings represent the risk to the Council if they are not achieved as this will put pressure to realise savings elsewhere. Thus far the 2 Councils have been able to make the changes without recourse to redundancy (with one exception in WDC's case). This helps to minimise redundancy costs which can be expensive. It is not anticipated that there will be any issues achieving the further envisaged further reductions and so achieve the revised level of savings.

**7. Alternative Option(s) considered**

7.1. There is in reality little other option given the course of action the Council has already decided in respect of Joint Heads of Service.