

 Employment Committee 15th October 2008		Agenda Item No. 3
Title	Organisation Structure Issues	
For further information about this report please contact	Chris Elliott 01926 456001	
Service Area	Chief Executive	
Wards of the District directly affected	none	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	Yes/No

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Relevant Director		
Chief Executive	30/09/08	Chris Elliott
CMT		
Section 151 Officer		Mary Hawkins
Legal	01/10/08	Simon Best
Finance	01/10/08	Mike Snow
Portfolio Holder(s)	01/10/08	Les Caborn Mike Doody
Consultation Undertaken		
Please insert details of any consultation undertaken with regard to this report.		
Final Decision?		No
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 The Council currently has two vacancies at Director level and in line with recruitment practice this provides the opportunity to review these positions before advertising for replacements. In the current budget climate a saving in the region of £70,000 could be made if only one post is filled. This would have a significant impact on the remaining two Director posts and the Chief Executive as the responsibilities for all council services and projects would be divided between three rather than four people.

2. RECOMMENDATIONS

- 2.1 That the Council Establishment is changed to reduce the number of Director posts by one and change the two remaining Strategic Directors to Deputy Chief Executives.
- 2.2 The Chief Executive undertakes a review to redistribute the responsibility for service areas between the Chief Executive and the Deputy Chief Executives
- 2.3 Recommend to the Executive that the salary for the Deputy Chief Executive posts is agreed with the Group Leaders in consultation with the Chief Executive following a benchmarking exercise
- 2.4 That the salary scales and terms and conditions of JNC officers are reviewed and any changes are reported to the Employment Committee and Executive in March 2009

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 The occurrence of two vacancies at Director level provides the opportunity to review the establishment of the senior management team and make changes before a recruitment exercise is undertaken.
- 3.2 The financial situation faced by the Council requires the consideration of savings whenever they may arise; the most significant employment savings can be made at the higher management levels within the organisation.
- 3.2 The introduction of Deputy Chief Executive posts provides the opportunity to strengthen the strategic decision making capacity within the Council and for the Corporate Management Team to concentrate on achieving corporate objectives. It increases the level of responsibility from Strategic Director to Deputy Chief Executive and thereby creates a responsibility to manage across the Council rather than at a directorate level

4. ALTERNATIVE OPTION CONSIDERED

- 4.1 The alternative option is to recruit to both vacancies. This would have the advantage of providing strategic capacity in the Council at a time of significant change and to allow the Chief Executive to delegate the management of Heads of Service to three directors. However, it would not allow for a financial saving to be made.
- 4.2 There is a risk that the Chief Executive and two Deputy Chief Executives would not have the capacity to manage the range of services for which they would become responsible and at the same time provide strategic direction for the Council. This risk will be mitigated by a change in the management relationship between the Deputy Chief Executives and the Heads of Service using the new competency framework to make clear the management expectations within the Council. It will also be mitigated by being clearer about priorities for work and balancing expectations of what can be done with the available staff time.
- 4.3 Another risk of reducing from three Directors to two Deputy Chief Executives is the potential for there to be limited capacity should either the Chief Executive or one of the deputies decide to leave or fall ill, etc. In this scenario it there would be a need to consider the use of interim management in order to ensure the continued capacity at a senior level.

5. BUDGETARY FRAMEWORK

- 5.1 The revenue saving for not recruiting to one Strategic Director position would be in the region of £70,000. This allows for the likelihood that the salary of the remaining two Deputy Chief Executive posts would be higher than the existing Director salaries.

6. POLICY FRAMEWORK

- 6.1 It is part of the recruitment policy that the need to recruit to posts is considered once a vacancy arises. This policy is in line with the corporate strategy objective to manage the Council's resources effectively.