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# New post of Executive Director (Communities) – Supporting Information

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## 1. Introduction/Background

- 1.1 The Executive approved the 2016 Senior Management Review in December 2016 and it was subsequently implemented in April 2017. One of the recommendations that was approved at the time was that there should be a review of senior management remuneration following a national benchmarking exercise of unitary authorities. This highlighted that the Council was likely to be uncompetitive should it have to advertise certain senior management posts.
- 1.2 As a result South-East Employees (SEE) were commissioned to undertake a review of senior management remuneration during last summer. Following the initiation of this Review a decision was taken, in consultation with the Executive, that it would be useful for SEE to undertake a more responsive review of the senior management structure, mindful of the need to consider succession planning and the emergence of a new Council Strategy.
- 1.3 In February this year the Corporate Director (Communities) announced her resignation. The remuneration package of this particular post was highlighted in the earlier Senior Management Review as requiring review given changing market conditions. As a result the decision was taken to ask SEE to undertake a specific review of the remuneration package for this post. This has now been done.
- 1.4 SEE's review of senior manager remuneration has not yet been completed. Neither have their considerations of future senior management arrangements. Both are expected to be reflected in a report from SEE during the summer.
- 1.5 The purpose of this report is therefore not to consider wider senior management arrangements and remuneration but rather to seek authority to increase the remuneration package of this specific post, and to alter the post title, so that recruitment can proceed.

## 2. Supporting Information

- 2.1 The Council's senior management structure was last reviewed in 2016. The proposed changes were implemented in April 2017. The current structure chart is set out at Appendix C. The Council's senior management structure is based on 'People, Place and Resources' model which is common in other upper tier authorities like West Berkshire. The Chief Executive and Corporate Director (Communities) are both 'twin hatted'. The former also assumes the role of Corporate Director (Resources) and the latter is both the statutory Director of Children's Services and the Director of Adult Social Services. This, coupled with relatively low remuneration levels, leaves West Berkshire with a very cost effective senior management structure.
- 2.2 The 2016 Senior Management Review did not move the Council away from the 'People, Places and Resources' model. It's focus was on reducing the number of

Heads of Service and realigning some of their responsibilities. The Review did however highlight potential alternative structural models to that which the Council has adopted since 1998.

- 2.3 In addition to the structural changes highlighted above, the Executive agreed, when the 2016 Senior Management Review was considered in December 2016, that a review should be undertaken of senior management remuneration. South East Employers were subsequently commissioned last year and their report is expected in the summer. In addition to this, conversations with South East Employers (SEE) have led to a further debate about future structural options. These have been triggered by succession planning issues, the emergence of a new Council Strategy, and changes in the environment within which the Council is operating. It is expected that when SEE report in the summer they will also reflect on what structural options could be considered. It is expected that this will result in further work internally alongside the development of the Council Strategy before any final decision is taken.
- 2.4 The resignation of the Corporate Director (Communities) has come part way through this review. The view has been taken that given market changes over the past 5 years the remuneration package must be revised. SEE have undertaken this review and concluded that a salary package in the range £123,000 - £128,000 will need to be offered. This compares with the current range of £95,969 - £108,668 (SCP 72 -77).
- 2.5 The advice from SEE is that this combined role should be paid on a salary range consisting of six spinal column points at intervals of £1,000. The spinal column points will increase by 2% on 1<sup>st</sup> April 2019 and will shadow the NJC 'cost of living' pay awards in future years. The successful candidate could be appointed on any point on the new pay range so the additional cost is estimated at mid point between the old and new pay ranges. The additional cost at mid-point is £23,186 per annum.
- 2.6 In addition to this it is felt that the post should be retitled Executive Director (Communities) and that it should also carry the designation Deputy Chief Executive. These changes do not signal a change in the 'People, Places, Resources' model or in the overall management structure as can be seen in Appendix D. The designation 'Deputy Chief Executive' simply relates to the post deputising for the Chief Executive when he/she is not present. The change in designation is seen to give the Council maximum flexibility should it decide to change the senior management arrangements at a later date.

### 3. Options for Consideration

- 3.1 As stated earlier, the resignation of the Corporate Director (Communities) has not, and should not, trigger a review of the Council's senior management arrangements. It has however come at a time when the Council is independently reviewing remuneration and broad structural options.
- 3.2 The status quo has not been seen as an option. Remuneration concerns were highlighted in December 2016 and the pressure has increased since then. Whilst ideally it would have been beneficial to wait until the current review was complete there is a widely held view that going to the market with the current salary package will not attract the required calibre of candidate. Proposals to increase the

remuneration are therefore being put forward for which additional budgetary provision will need to be made.

- 3.3 Whilst there is no desire to unravel the senior management structure at this point it is relevant to consider whether the current 'twin-hatted' arrangement should be dissolved. This arrangement has been in place within the Council for the last 7-8 years and is generally viewed to have worked well. The Council has recently commissioned an independent Test of Assurance which has confirmed that the Council's 'twin hatted' arrangements are secure. On this basis no change is being proposed although it is clearly an option should Members wish to consider it.

## **4. Proposals**

4.1 The following proposals are being made;

- (1) that the senior management model based on 'People, Place and Resources' remains unchanged as agreed by the Executive in December 2016;
- (2) the post of Corporate Director (Communities) is abolished and replaced by the new post of Executive Director (Communities) which will also attract the designation of Deputy Chief Executive;
- (3) that the post of Executive Director (Communities) remains 'twin hatted' following the conclusions of the independent Test of Assurance in February 2018;
- (4) following the concerns raised with the Executive in December 2016 that the remuneration of the above post is set at £123,000 - £128,000 creating a budget pressure of circa £23,000 and that this is funded from the Council's revenue reserves;
- (5) that the Members note that a report from SEE is due in the summer with further work on the senior management structure continuing beyond that, in association with the development of the new Council Strategy; and that the proposals set out here will not compromise the future direction of those discussions.

## **5. Conclusion**

5.1 The post of Corporate Director (Communities) has become vacant and it is appropriate to reflect on the role prior to starting a recruitment campaign. Following the Executive meeting in December 2016 it was agreed that a review senior management remuneration should be conducted. This is still underway so the timing is unfortunate. That said it is clear that the current remuneration is inadequate and following independent assessment, proposals are being put forward to address this.

5.2 The current independent work on remuneration will include a review of potential structural options. This work will however not conclude until the new Council Strategy has been finalised. Given the nature and significance of the role it is being proposed that the job title is changed and that the post is designated as Deputy Chief Executive. As can be seen in the attached job description this will not alter the current senior management arrangements other than formalise who will

deputise for the Chief Executive in his/her absence. Care has been taken to ensure that these proposals do not compromise any potential future consideration of structural options later this year/early next.

- 5.3 Other structural options have not been considered however the option of splitting the DCS and DASS roles is explored in the main report. Potential options regarding future management arrangements are likely to emerge later in the year in a separate report aligned to the new Corporate Strategy.

## 6. Consultation and Engagement

### 6.1 Corporate Board

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#### Subject to Call-In:

Yes:  No:

The item is due to be referred to Council for final approval	<input type="checkbox"/>
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>
Delays in implementation could compromise the Council's position	<input checked="" type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months	<input type="checkbox"/>
Item is Urgent Key Decision	<input type="checkbox"/>
Report is to note only	<input type="checkbox"/>

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#### Wards affected:

All

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#### Strategic Aims and Priorities Supported:

The proposals will help achieve the following Council Strategy aim:

**MEC – Become an even more effective Council**

The proposals contained in this report will help to achieve the following Council Strategy priority:

**MEC1 – Become an even more effective Council**

The proposals contained in this report will help to achieve the above Council Strategy aim and priority by ensuring the appropriate senior management structure was in place.

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