

EXEMPTION FROM PUBLICATION LIFTED

This report was exempted from publication on 9 January 2015 but the exemption was lifted by the Monitoring Officer and the report subsequently published on 19 January 2015.



Derby City Council

URGENT LEADER OF THE COUNCIL MEETING 9 January 2015

ITEM 5

Joint report of the Monitoring Officer and Section
151 Officer

Proposed Senior Management Restructure

SUMMARY

- 1.1 As part of the budget consultation for 2015-16, a review of the council's senior management restructure has been proposed. This would involve reducing the number of senior management roles and reconfiguring management responsibilities.
- 1.2 While the budget consultation has not yet ended, the Chief Executive has indicated a willingness to exit the authority in advance of any potential future restructure by way of voluntary redundancy (VR).
- 1.3 The proposed payment is well within the affordability test that the council applies when considering VR applications. In addition, the council's external auditors have been informed and are content that the value for money test would be met. However, the sum exceeds that which can be approved by officers.
- 1.4 In order that the matter can be finalised at the earliest opportunity, enabling the Chief Executive to exit the organisation on 31 January 2015, an urgent resolution is required. If approved, it is proposed that the matter be subsequently communicated internally and externally prior to it being formally reported to Council for information at its meeting on Wednesday 28 January 2015.

RECOMMENDATION

- 2.1 To authorise a payment of £140,000 to be paid to the Chief Executive to facilitate his exit of the organisation on 31 January 2015 by way of voluntary redundancy, to be funded through existing salary budgets in 2014-15 and the Redundancy Cost Reserve.
- 2.2 To note that the matter will be reported to Council for information on 28 January 2015.
- 2.3 To recommend to Council that the Deputy Chief Executive and Strategic Director of Neighbourhoods, given his existing capacity as Deputy Head of Paid Service, be appointed as Interim Head of Paid Service upon the Chief Executive's exit.

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REASONS FOR RECOMMENDATION

- 3.1 Part B of the council's Scheme of Delegations requires decisions costing or saving between £100,000 and £249,999 to be approved by an executive member. The ability to take urgent decisions in respect of any matter is reserved to the Executive Leader.
- 3.2 Approval will enable the Chief Executive to exit the organisation on 31 January, while meeting the affordability test applied to VR applications and the value for money test.
- 3.3 The council is required to have a Head of Paid Service. The Deputy Head of Paid Service is best placed to undertake this duty on an interim basis.

SUPPORTING INFORMATION

- 4.1 The council has proposed in its budget consultation to undertake a management restructure. It is proposed to save around £600,000 through such a restructure, and it had been anticipated that this would impact on the top tier of management.

OTHER OPTIONS CONSIDERED

- 5.1 Delaying a decision until the budget has been finalised would incur ongoing salary costs. A swifter decision will also better enable an effective handover while any interim arrangements are proposed and finalised.
- 5.2 Consideration has been given to bringing the matter to Council for approval. However, there are a number of reasons why this would not be suitable, particularly given that the next scheduled meeting of Council would be too late to enable the decision to be actioned, and that there is no guarantee of being able to convene a well attended meeting if summoned urgently. It is proposed to report the matter to Council at its meeting on 28 January 2015 to ensure transparency and openness. That meeting will also be asked to approve interim arrangements.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Janie Berry, Director of Legal and Democratic Services Martyn Marples, Director of Finance and Procurement Janie Berry, Director of Legal and Democratic Services Not applicable Not applicable Not applicable
For more information contact: Background papers: List of appendices:	Janie Berry, Director of Legal and Democratic Services 01332 643616 janie.berry@derby.gov.uk None

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	Appendix 1 – Implications
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Appendix 1

IMPLICATIONS

Financial and Value for Money

- 1.1 The proposed payment comprises a three months' pay in lieu of notice and a compensation payment of £100,000. This totals £140,000. This meets the affordability test applied to VR applications and the value for money test, meaning it will enable future, and more substantial, savings from a proposed senior management restructure to be achieved.
- 1.2 Existing salary budgets and the Redundancy Cost Reserve would be used to fund the expenditure.

Legal

- 2.1 The council is required to have a Head of Paid Service under Local Government Standing Orders Regulations. An interim Head of Paid Service would need to be appointed. It is proposed that this matter would be considered by Council on 28 January 2015.

Personnel

- 3.1 Voluntary redundancy is the council's preferred route to reducing the number of posts so savings can be achieved, and is preferable to compulsory redundancy.

IT

- 4.1 None.

Equalities Impact

- 5.1 None.

Health and Safety

- 6.1 None.

Environmental Sustainability

- 7.1 None.

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Property and Asset Management

8.1 None.

Risk Management

9.1 Any risks arising from the reduced number of chief officers would need to be considered as part of the proposed senior management restructure.

Corporate objectives and priorities for change

10.1 None.