

Slough Borough Council

Report To:	Employment Committee and Council
Date:	18 th January 2024 (Employment Committee) 25 January 2024 (Full Council)
Subject:	Senior Management Restructure Update
Chief Officer:	Stephen Brown, Chief Executive
Contact Officer:	Sarah Hayward - ED Strategy and Improvement Stephen Taylor – Monitoring Officer
Ward(s):	None
Exempt:	No, whilst the information in Appendix A contains information about individuals, the level of redundancy payments means it is in the public interest to publish this information.
Appendices:	Appendix A – Redundancy packages

1. Summary and Recommendation

1.1 This report to the committee is an update on the next stage of the senior management restructure that was consulted and approved in September 2023. It also highlights a severance package which needs to be approved by Full Council arising out of the senior management structure and a further one which is associated with a restructure relating to CCTV.

Recommendation:

Employment Committee is recommended to:

- Note the contents of this report.
- Recommend the report to Council.

Council is requested to agree:

That the Head of Paid Service should make and approve the redundancy packages set out in Appendix A for employees 1 & 2, noting that these consists of statutory and contractual redundancy payments and no part of either package constitutes a special severance payment.

Commissioner Review

The commissioners are content with the recommendations in this report.

2. Report

Introduction

- 2.1 As articulated in the Council's Corporate Plan, the Council is on a long-term path to recovery, however, to deliver this the Council needs senior corporate capacity.
- 2.2 Employment Committee Members were updated in the two previous meetings on how the senior management restructure has been articulated and the consultation process that was undertaken. The purpose of the consultation outlined how the senior management restructure under the new Executive Leadership would be reorganised, which took place in August.
- 2.3 The Council's policy encourages the reduction of the likelihood of redundancies in the event of a change in several ways, including offering an opportunity for employees to express an interest in voluntary redundancy (VR) and/or early retirement. During the implementation process a further redundancy was confirmed for an existing Associate Director. This has resulted in the need to seek approval of the severance package as this requires Full Council 's approval as the severance package also includes a pension strain cost. The redundancy package is set out in **Appendix A** and is over £100,000 including the pension strain, which is the cost to the Council of funding the pension provision. As such full Council is being given an opportunity to vote on this package.
- 2.4 The focus of the reorganisation was to create capacity and to respond to the need to drive through activities related to the recovery programme at pace. This report covers the next stage of implementation of the proposals and details the recruitment process to secure the newly created Director's role into permanent officers.
- 2.5 The newly created Director posts (which have replaced the Associate Director (AD) posts) will have greater strategic authority and as such will be more empowered to progress the recovery and improvement of the Council at pace in their areas and corporately and be accountable for the decisions they make.
- 2.6 The role profiles of the new Director roles will bring greater equity to job roles across the council and ensure that external candidates looking for new job opportunities are better able to understand roles and their seniority therefore making it easier to attract candidates.
- 2.7 As members will be aware, with effect from 1 September 2022 and following the Commissioners' initial six-month report to the Secretary of State, the Minister expanded the Directions to the Council in Annex B of the Directions to include the following:

“5. All functions to define the officer structure for the senior positions, to determine the recruitment processes and then to recruit the relevant staff to those positions.”

- 2.8 Senior positions' is defined in Annex B of the Directions as 'direct reports to the Chief Executive and their direct reports, and their Group Managers – tier one, tiers two and three. This tiering has changed in the new structure and are now Directors and Head of Service roles.
- 2.9 On that basis, the Commissioners have been kept fully informed through the process and have the power to intervene in any stage of the process if they so wished. The appointment process for the Chief Officer and Deputy Chief Officer posts has been agreed with the Commissioners.
- 2.10 The recruitment to the Directors has commenced externally as all the internal processes have been concluded. One Director role was appointed to by an internal 'at-risk Associate Director' following a robust recruitment process conducted by Starfish which included a technical interview and psychometric tests.
- 2.11 The recruitment into the new posts is taking place in tranches based on business needs to secure high calibre candidates. To assist with our search for high calibre candidates and ensure we get the very best candidates an external recruitment partner, Starfish, has been appointed through a procurement exercise. The first tranche included the following posts:
- Director of HR & Workforce Development
 - Director of Strategy, Change & Resident Engagement
 - Director of Financial Transactions
 - Director of Education
 - Director of Property & Assets
 - Director of Environment & Highways
 - Director of Law & Governance (Monitoring Officer)
 - Director of Public Health
- 2.12 The search outcome yielded a very good response for all the above posts. The specification to attract candidates from a diverse background has also been successful. Longlisting has taken place and currently technical interviews are taking place with some interviews having taken place before Christmas and some after. Shortlisting has taken place for a number of posts with final interviews planned. A report on the appointment of the Monitoring Officer is on the agenda for the Council meeting.
- 2.13 The second tranche of posts have been advertised and will follow the following timeline for selection and interviews:

Director of Housing
Director of Planning
Director of Adult Social Care

Closing date for the roles	14 Jan 2024
Longlist Pack received by Slough	w/c 15th Jan 2024
Longlist meeting	w/c 15th Jan 2024
Technical interviews	w/c 29th Jan 2024
Agreement of shortlist	w/c 5th Feb 2024
Final interviews	w/c 19th Feb 2024

- 2.14 There will be a review of the new structure at the 12 month point in line with our organisational change policy. This is a significant change to the council's structure and so this review point will be important in assessing success and whether it is having the desired impact on the pace of recovery.
- 2.15 The council has been managing with an unstable workforce for some time. This restructure forms a vital part of stabilising the workforce and the council, but it is recognised that there could be further disruption in the short term, a key part of our next steps will be to minimise that disruption as we implement the structure.
- 2.16 The recruitment partner has been asked specifically to put a premium on attracting diverse candidates from a range of backgrounds. A further update will be provided following the second tranche recruitment to demonstrate whether that approach was successful and what lessons Slough can learn for future recruitment exercises.

CCTV Control Room

- 2.17 In February 2023, Cabinet approved the decision to close down the CCTV Control Room in Slough. As part of the implementation a staff consultation took place which effectively deleted their roles. One of the staff members who is redundant is also eligible to their pension.
- 2.18 The total severance package for this member of staff is over £100k and therefore will need the approval of Full Council. The details of the severance package is in Appendix A – Employee 2.

3. Implications of the Recommendation

3.1 Financial implications

- 3.1.1 The new job descriptions have been evaluated to provide accurate costings. The cost of the restructure, as stated in the Consultation Document, compared to the current structure is overall broadly cost neutral once the

entire restructure is completed. That means once these roles have been fully recruited to and the restructure of those roles reporting into the new Director roles have also been completed.

- 3.1.2 The new structure will eventually create a total of thirty-six new roles (at Chief Executive, Executive Director, Director, and Head of Service Level) but these replace an existing forty budgeted for in our current structure, including some posts that are currently vacant and one shared post (the DPH role) which is grant funded. The cost of the thirty-six roles is circa £3.8m against the cost of existing roles of around £3.7m.
- 3.1.3 The changes to the Director of Public Health post are cost neutral to the local authority as these costs are charged to the ring fenced Public Health Grant from OHID (Office for Health Improvement and Disparities) and not included in the above FTE posts (full time equivalent) or cost figures as this will distort these.
- 3.1.4 The costs of the new posts were originally estimated prudently at lower mid point – while the intention is to recruit at the bottom of the post. Additionally, these are the expenditure effects and some posts may be at least in part be charged to other grants or external recharges in practice. These costs are excluding recent salary uplift (and uplift for 2024/25 onwards is not assumed). However, the budgets for all these rolls will be updated for the payrise. The overall position is neutral as the over cost are similar and subject to the same % uplift as council wider senior posts.
- 3.1.5 Transitional costs of redundancy, pension strain and the overall transformation are allowed for by the reserve and c/fwds were created for this purpose in the original council plans and at the last year end. There is an earmarked reserve of £7.5m. As advised these funds will assist with Pension strain and redundancy, other costs of transformation including any overlap costs. The Council are expecting to fully use this reserve.
- 3.1.6 The Executive Directors need to manage the costs within their existing cash limit budgets and there is an assumption posts will be recruited at bottom of scale. Budgets will be adjusted as restructure progresses where budgets for deleted posts will be removed and reused for new posts.

3.2 ***Legal implications***

- 3.2.1 The rules governing recruitment and appointment of staff are set out in the Constitution. This includes the rules for appointment of chief officers, which includes the need for elected members to decide on these appointments, except when the Commissioners choose to exercise their intervention powers, or an interim is being appointed pending permanent recruitment. The DLUHC statutory Directions give powers to the appointed DLUHC Commissioners to make decisions on senior officer recruitment for the top three tiers of the organisation. All other recruitment decisions, including those decisions where the commissioners decide not to exercise their power are made by the Chief Executive, as Head of Paid Service, or an authorised officer. In general,

executive directors are responsible for agreeing and implementing restructures within their services.

- 3.2.2 The Localism Act introduces duties in relation to transparency in pay policies and arrangements. The guidance associated with this legislation states that due to public interest in the level and frequency of severance payments being made in particular to senior officers, to ensure that decisions to spend local taxpayers' money on large payoffs are subject to the appropriate level of accountability. Local authorities should offer full council the opportunity to vote before packages over £100,000 are approved. The redundancy packages contained in Appendix A are limited to contractual entitlement, although in appropriate circumstances an individual may be permitted to be paid in lieu of notice. The Localism Act and associated guidance also requires local authorities to have a pay policy statement and recommends that full Council should approve new posts paid at £100,000 or more.

3.3 ***Risk management implications***

- 3.3.1 There is an inherent level of risk with any restructure, including whether it has the expected impact on performance, service delivery and efficiency and whether it is possible to recruit to the new structure. This will be mitigated through ongoing review of the impact and a 12-month review of the structure.
- 3.3.2 There are additional risks for the Council. These include the disruption that restructure at this scale causes, this disruption is already happening and will continue until significant numbers of the new posts are recruited to and postholders have started their jobs. That said, the council has been coping with instability in the work force for some time and clarity over senior roles and permanent recruitment will begin to drive more stability in the organisation. Organisational leaders and managers will need to manage ongoing delivery and risks in their areas using a variety of tools to mitigate disruption and maintain delivery. There are several interims in post at the associate director level and it is anticipated that many of these staff will stay with Slough until permanent recruitment is undertaken, minimising the risks of gap.
- 3.3.3 There is the potential for the loss of institutional memory and knowledge in staff leaving either through redundancy or as they seek other employment during the process. This will be mitigated through thorough hand over expectations of those leave.
- 3.3.4 There are recruitment risks for local government at the moment. These are particularly acute around some roles and in some locations. The number of authorities now in intervention mean that potential recruits attracted by the challenges of intervention now also have choices.
- 3.3.5 Officers have sought to mitigate these risks as far as possible. In terms of the inherent risks, we have sought external advice and challenge on this structure to ensure it meets the aims and provides job configurations and salaries that

will be competitive in the sector. There will be a 12-month review of the structure, but its impact will be being closely monitored through a variety of methods including our existing performance management of services and delivery of directions.

3.3.6 Slough has been working with officers impacted directly or indirectly to mitigate the negative impacts that the uncertainty a restructure can have on staff. It is not possible in all cases to ameliorate all these affects.

3.3.7 The impact of loss of institutional memory at this stage is medium as there are small numbers of staff directly impacted, however, this will be mitigated through effective handover with those staff who are leaving.

3.3.8 The Council has engaged an external recruitment partner to assist with sourcing a strong cadre of potential recruits. This is to both add capacity for the volume of recruitment and provide the Council with specialist advice on all aspects of recruitment to help us stand the best chance of recruiting a strong field of new directors.

3.4 *Environmental implications*

3.4.1 There are no specific environmental implications arising from this report.

3.5 *Equality implications*

3.5.1 As part of the consultation process an Equality Impact Assessment was conducted.

3.6 *Procurement implications*

3.6.1 Not applicable for this report to the committee.

3.7 *Workforce implications*

3.7.1 The consultation process has followed the Council's Organisational Change Policy and Procedure and trade unions have been involved in this change programme.

3.8 *Property implications*

3.8.1 Not applicable for this report to the committee.

4. *Background Papers*

None

Appendix A – Severance Packages

The total cost of the package for employee one who is redundant because of the Senior Management Consultation and Employee 2 who is redundant as a result of the changes in the CCTV arrangements are broken down as follows:

Employee 1:

Description	Costs	Comment
Redundancy Payment	£59,138.30	Statutory & Contractual Entitlement
Pension Strain	£271,481.50	
Pay in lieu of notice	n/a	
Annual Leave	To be confirmed	
Total Costs	£330,619.80	

Employee 2:

Description	Costs	Comment
Redundancy Payment	£30,852.99	Statutory & Contractual Entitlement
Pension Strain	£84,113.87	
Pay in lieu of notice	n/a	
Annual Leave	n/a	
Total Costs	£114,966.86	