

**COUNCIL
26 SEPTEMBER 2024**

REVISION TO THE COUNCIL'S SENIOR MANAGEMENT STRUCTURE

**Responsible Cabinet Member -
Councillor Steve Harker, Leader and all Cabinet Members**

**Responsible Director -
Ian Williams, Chief Executive Officer**

SUMMARY REPORT

Purpose of the Report

1. To present a revised Senior Management Structure for the Council and to seek approval to advertise for a new Executive Director of Economy and Public Protection post.

Summary

2. The report presents a revised senior structure which has been developed with input from Cabinet and responds to the recently announced retirement of the Chief Executive Officer and forthcoming planned retirements of the Assistant Director of Community Services, and the Assistant Director of Economic Growth.
3. The proposal is to replace the retiring Chief Executive (CEX), to replace the retiring Assistant Director of Community Services, with an Assistant Director for Environmental Services and Community Safety and to create the role of Executive Director of Economy and Public Protection following deletion of the Assistant Director Economy role. All three posts will be advertised and follow the normal Council approval process. The revised structure aligns to the Council's priorities.
4. It is proposed that the post of Assistant Director (AD) of Economy is to be redesignated Executive Director. Functions include current activity on Economic Growth, and Civil Contingencies along with additional Public Protection functions that had temporarily moved following an interim restructure of Community Safety in July 2024. Those additional functions being Licensing, Trading Standards, and Private Sector Housing. This redesignation reflects that the proposed CEX does not manage the economic portfolio.
5. For clarity with partners and to assist our external engagement work it is proposed that the Group Director titles are amended - for Operations be redesignated as Executive Director – Resources and Governance, for Services redesignated Executive Director – Environment, Highways & Community Services, and for People redesignated Executive Director of People.

6. Whilst the changes do incur additional cost, it is felt the structure is right to move the Council forward at this juncture.

Recommendations

7. It is recommended that:
- (a) Council notes that on 10 September 2024, Cabinet approved the Senior Management Restructure set out in **Appendix A** with an implementation date of Spring 2025, subject to the views of Council on 7(b).
 - (b) Council approve the new post of Executive Director of Economy and Public Protection.
 - (c) The Assistant Director Law and Governance is delegated to make any consequential changes to the Constitution that are needed.

Reason

8. The recommendations are supported to amend the structure.

Ian Williams
Chief Executive Officer

Background Papers

September 2024 Cabinet Report- Revision of the Council's Senior Management Structure

Ian Williams
IW/TAB

Council Plan	Senior Structure to help deliver Plan
Addressing Inequalities	Increased focus from Senior Team
Tackling Climate Change	No direct impact as a result of this report
Efficient and Effective Use of resources	The structure aims to increase efficiency
Health and Wellbeing	No direct impact as a result of this report
S17 Crime and Disorder	No direct impact as a result of this report
Wards Affected	All wards are affected equally
Groups Affected	All groups are affected equally
Budget and Policy Framework	The recommendations can be accommodated within the existing MTFP
Key Decision	This is not an Executive decision
Urgent Decision	This is not an Executive decision
Impact on Looked After Children and Care Leavers	This report has no impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

9. The Council's existing Senior Management Structure was approved by Council in January 2021. Recently the CEX has announced his intended retirement for the spring of 2025 and Members should note the planned retirement of two Assistant Directors - Community Services and Economy. Therefore, the opportunity has been taken to work with Cabinet to review the structure acknowledging Cabinet's priorities for the future.
10. The existing structure is set out at **Appendix B** and Members will see this structure is based around four groups, with one of the Groups led by the CEX:-
 - (a) Head of Paid Service & Economic Growth – Led by the existing CEX.
 - (b) Operations – Led by the Group Director.
 - (c) People – Led by the Group Director.
 - (d) Services – Led by the Group Director.
11. The structure was established following the deletion of the Managing Director role and importantly created a Chief Executive post that combined the Head of Paid Service role with the Economy role. The CEX also leads on Partnerships and Civil Contingencies. All of the Director roles carry significant portfolio responsibility not often seen in other Local Authority (LA) structures. To illustrate:-
 - (a) Operations includes Finance, Law & Governance, Council Housing and Homelessness, Policy, Performance, , Human Resources, ICT and Systems, Communications and Revenues & Benefits
 - (b) People include social care for Children and Adults, Education and Public Health
 - (c) Services includes Capital Projects, Environmental Services, Highways & Transport, Leisure, Culture, Community Safety, Corporate Landlord and Building Services.
12. Senior Statutory roles within the structure are allocated as below :-
 - (a) Head of Paid Service – CEX
 - (b) Monitoring Officer – Assistant Director Law & Governance
 - (c) Chief Financial Officer – Group Director (Operations)
 - (d) Statutory Director of Children Services and Statutory Director of Adults Services – Group Director (People)
 - (e) Director of Public Health
13. It is widely acknowledged by the Local Government Association and amongst LA network that Darlington Council has a very lean and lower cost senior management structure, having reduced Senior Management costs by circa £2.4m per annum in the last two restructures. Attracting new talent to join the Council is required as set out in this proposal but equally the Council needs to nurture and retaining talent across all levels of

the Council. Appropriate succession is always a key component of having a stable and effective wider management team going forward.

14. Further senior management reduction is not recommended, and the review of the existing structure has not therefore sought to deliver savings. It is believed that any further reductions would seriously undermine the ability to manage and deliver for the Council, at a time when demand and pressures have been increasing, and when Government has renewed expectation of delivery. The restructure has therefore concentrated on replacing retirees, provide senior capacity in priority areas, and improving service alignment. Importantly it does free up some capacity at a senior level to drive the MTFP, further efficiencies, new service delivery and more in-depth partnership working.
15. Generally across the board, our salary levels tend to be benchmarked in the lower quartile of equivalents but in the round this needs to be considered along with the positive culture and environment at the Council. This enables us to perform well, delivering good outcomes with the resources at our disposal and has helped us to retain staff at all levels. Attracting the right talent in the competitive marketplace is vital as is getting the balance of new recruitment to seamlessly integrate alongside the retention of our talented people. The embedding and further development of the right culture in the organisation is a key role of the incoming CEX and Executive Team.
16. The Council's recently agreed Council Plan highlights a strong focus on Partnerships and Economic Growth. The efficient use of resources and increasing focus on collaboration to address inequality are the key aspects addressed in the proposed restructure.
17. Set out in the next section of the report is the proposed structure.

Proposed Structure

18. The structure has been developed with Cabinet input and takes into account that Council wants to foster increased collaboration and strengthened partnership working coupled with strong and sustainable economic growth. It is felt that recruitment for a CEX, who will be the Head of Paid Service without a specific portfolio, will give the Council the best opportunity to recruit at the calibre required and expands the field and breadth of potential candidates, but importantly also provides some CEX capacity to concentrate on increasing partnership working to reduce inequality and to support the Council's journey on balancing the MTFP. This approach will enable the postholder to take a strategic lead on ensuring the Council priorities permeate throughout the Council and its partners. The CEX role will also assume the role of Returning Officer and will be the designated Electoral Registration Officer.
19. With the retirement of the existing Assistant Director of Economy, the proposal is to replace with an Executive Director of Economy and Public Protection. This provides Director level capacity to continue Darlington's growth journey and acknowledges that the new CEX post may not necessarily have a regeneration background. It is proposed the CEX will not be the designated lead for the Economic Growth portfolio. It is also felt that recruiting someone at Director level to work on economy is appropriate given the above, and importantly that liaising with Tees Valley Combined Authority and Government over future growth strategy for the Tees Valley will play an increasing part in both Darlington and the Government's growth agenda.

20. The existing Assistant Director – Community Services role has responsibility for Environmental Services, Leisure and Culture which has come together based on the experience of the existing postholder, however it is unlikely that there would be a successful recruitment campaign for this heavy mix of areas. In order to have the best opportunity to recruit, the post to be advertised will be Assistant Director – Environmental Services & Community Safety with the Head of Culture and Head of Leisure reporting into the Executive Director.
21. It is also proposed that job titles are amended with the Group Director for Operations be redesignated Executive Director – Resources and Governance and the Group Director for Services be redesignated Executive Director – Environment, Highways & Community Services, and Group Director of People be redesignated Executive Director -People.
22. The revised structure of Joint National Committee Chief Officer roles is set out at Appendix A with the structure showing all direct reportees to Executive Directors at **Appendix C**.

Human Resource Implications

23. It is proposed that adverts go out for the CEX, the Executive Director of Economy and Public Protection and the Assistant Director of Environmental Services and Community Safety roles for a start in the Spring of 2025.
24. The proposals set out in this report have been discussed with the Chief Officers Executive and the Chief Officers Board who are supportive of the proposal.
25. There is a requirement in the constitution that Council will approve the advertising of a new post where the salary package exceeds £100k. This applies to the proposed post of Executive Director of Economy and Public Protection. Council is asked to approve the recruitment to this role.

Financial Implications

26. The Executive Director role is proposed at Director 1 level which has an incremental progression banding based on satisfactory performance. The table below show the annual cost over the next four years. The cost assume the post holder joins the Local Government Pension Scheme, there would be a reduced cost if this wasn't the case.
27. At the maximum of the grade the additional cost for this proposal is £33,739. An average cost of £23,390 pa over the period.

	Year 1	Year 2	Year 3	Year 4
	£	£	£	£
AD Economic Growth - current salary	112,370	112,370	112,370	112,370
Executive Director Economy and Public Protection	122,247	127,478	132,704	137,930
Sub total	9,877	15,108	20,334	25,560
plus NIC and Pension contributions	3,161	4,835	6,507	8,179
Total increase	13,038	19,943	26,841	33,739