

Slough Borough Council

Report To:	Employment Committee
Date:	27 th June 2024
Subject:	Senior Management Restructure Update and Pay Policy
Chief Officer:	Will Tuckley – Chief Executive
Contact Officer:	Bal Toor – Director of Human Resources
Wards:	All
Exempt:	NO
Appendices:	Appendix 1: Senior Management Structure Chart Appendix 2 – Updated Pay Policy 2024/25

1. Summary and Recommendations

1.1 This report provides an update on the Senior Management restructure. It includes changes to line management for the current Executive Director - Finance and Commercial (s151) and a corresponding change in role title. The Director of Strategy, Change & Resident Engagement will continue to report directly to the Chief Executive and will therefore be a chief officer on the structure. The Pay Policy Statement for 2024/25 has been updated to reflect the changes and include up to date pay details to reflect the recent appointments to director roles.

1.2 Recommendation:

Employment Committee is recommended to:

- (a) Note the update on the senior management restructure.
- (b) Recommend to Council (July 25th 2024):
 - a. Approve the new chief officer structure and the updated management structure at Appendix A to become a new Part 7 of the Constitution;
 - b. Delegate authority to the Monitoring Officer to amend Article 12 and Part 3.6 of the Constitution to reflect the new functions and new chief officer structure.

1.3 **Reason:** The structure put in place in April 2024 was stated to be subject to review. The new Chief Executive has reviewed the structure and proposed changes to reduce the number of direct reports, expand the functions sitting under the Executive Director of Finance and Commercial Services amending the role title to Executive Director of Corporate Resources and maintain line management for the Director of Strategy, Change and Resident Engagement, who will be classed as a chief officer by virtue of directly reporting to the Chief Executive. There are no changes to grading of the posts and only minimal changes to roles, therefore there has been no requirement to formally consult on the changes.

Commissioner Review: Commissioners have reviewed the report and are supportive of the recommendations.

2. Report

Introductory

A stable senior management structure is pivotal to establishing long-term stability for the council and improving the Council's financial position. The expanded role of Executive Director of Corporate Resources will be covered by the existing interim Executive Director of Finance and Commercial. Plans are in place to commence recruitment for a permanent post holder as this is essential to develop and implement robust financial strategies, efficient resource allocation, and effective governance measures that will steer the organisation towards fiscal sustainability and resilience.

Options considered.

Background

- 2.1 As articulated in the Council's Corporate Plan, the Council is on a long-term path to recovery, however, to deliver this we need senior corporate capacity. A restructure took place in September 2023 to establish a structure which better reflected industry practice, by re-introducing function job descriptions related to the span of responsibility within the role. Minor changes were made to the structure in April 2024 and it was confirmed that the structure would be kept under review.
- 2.2 The new Chief Executive has reviewed the structure and proposed the following changes:
 - An expanded role for the Executive Director of Finance and Commercial Services, amending the role title to Executive Director of Corporate Resources and moving the functions of ICT and HR under this post holder.
 - Retaining the Director of Strategy, Change and Resident Engagement as a direct report to the Chief Executive, and updating relevant parts of the Constitution to reflect that this post holder is a chief officer.
- 2.3 The proposed realignment of ICT and HR functions to report to the Executive Director - Corporate Resources aims to optimise Slough Borough Council's organisational structure while maintaining their critical importance to improvement and recovery plans. This change addresses the need for a more balanced reporting structure, as having too many direct reports to the Chief Executive Officer (CEO) can hinder strategic focus and impede effective leadership. While the LGA Digital 360 Review, reported to Cabinet in May 2024, recommended considering direct ICT reporting to the CEO to ensure organisation-wide strategic dialogue, and HR is recognised as a key enabler of transformation, the proposed structure seeks to balance these considerations with best practices in management. The CEO will maintain strong strategic working arrangements with the Directors of ICT and HR, ensuring their input remains crucial in shaping the authority's overall direction. This realignment is designed to enhance resource alignment, distribute management responsibility more effectively across the Corporate Leadership Team, and allow the CEO to maintain a strategic focus while preserving the critical roles of ICT and HR in driving organisational transformation and improvement.

- 2.4 Given the critical nature of the Executive Director of Corporate Resources role and the need to secure an exceptional permanent candidate, the council has engaged the services of the executive search firm, Starfish Search, to assist in this recruitment process. Starfish were utilised to recruit for other senior posts and the Council has been able to make significant progress in recruiting permanent staff to these roles.
- 2.5 It is proposed to commence permanent recruitment immediately, with a view to interviews being held in early September. Whilst the DLUHC Commissioners have the power to make a decision on appointment, it is proposed to convene the appointments panel to conduct the final interview and any commissioner decision will be reported to Full Council. This will allow for member involvement and oversight of the process.
- 2.6 There are no proposed changes to gradings for these posts and no need to conduct a formal consultation, as the changes involve line management changes.

Progress on recruitment

- 2.7 The recruitment to the Director posts is nearing completion.

Here is an update on the Executive Director / Director recruitment to date:

Director of Education	Neil Hoskinson	01-May-24
Director of Law & Governance	Sukdave Ghuman	01-May-24
Director of Property & Assets	Peter Hopkins	01-May-24
Director of HR & Workforce Transformation	Bal Toor	20-May-24
Director of Adult Social Care	David Coleman-Groom	05-Jun-24
Director of Environment & Highways	Matthew Hooper	17-Jun-24
Director of Housing	Lisa Keating	20-Jun-24
Director of Planning	Daniel Ray	01/05/2024
Director of Strategy, Change & Resident Engagement	Sonia Khan	15-Jul-24
Director of Digital, Data and Technology	TBC	TBC

- 2.8 The current Executive Director of Adults' Services has secured a role in another local authority. The current post holder has recruited to permanent director posts within the directorate and progress has been made in recruitment to heads of service posts, so the structure is now more stable. Plans are in place to commence recruitment to this role and as a Statutory Chief Officer, the appointments panel will be involved in the recruitment.

Updated Pay Policy 2024/25

- 2.9 Local authorities are required to prepare a Pay Policy Statement on an annual basis. The purpose of the statement is to enable residents to understand the Council's pay policy for senior staff and how it relates to the salaries of the lowest paid. It provides transparency and enables residents to assess whether salaries paid represent value for money. The updated Pay Policy Statement is appended at Appendix 2 and must be approved by Full Council.
- 2.10 Guidance published under the Localism Act refers to the pay policy statement including the approach to publication of and access to information relating to the remuneration of chief officers. The Council chooses to include this information in the Pay Policy Statement. Where chief officer role is fulfilled by an external contractor or interim officer providing a service to the council, details of the day rate or other remuneration arrangement has been included.

3. Implications of the Recommendation

3.1 Financial implications

- 3.1.1 The report seeks approval to changes in director and senior management reporting lines and redesignation of the Executive Director Finance and Commercial to reflect the proposed changes to facilitate recruitment of the permanent statutory Chief Financial Officer role, in the context of previous structural arrangements. All Executive Director and Director roles have been evaluated previously and the proposed changes outlined in this report will not result in any changes to gradings. The new post remains at SML 16 with a pay bracket of SML 16 £125,733 - £146,319. We aim to recruit within this bracket, with a figure up to £150,000 market conditions prevailing. The post is reflected in the budget as agreed by Full Council on 7th March 2024. Recruitment of permanent posts should reduce the costs of interim staff, although it is important to ensure effective transitional arrangements are managed.

3.1.2 Senior Management Restructure:

An updated cost analysis of the Senior Management restructure informs us of the following: Of the 17 posts, 6 were appointed above mid-lower scale points, 5 at mid-lower scale points, and 6 at lower scale points. An estimated total cost for new posts for 2023/24 is £2,483k. The estimated projected total cost for 2024/25 is £3,793k to compare to the original financial estimates and for some ongoing overlaps in transition from old to new structure. For comparison, the original annual budgetary estimate in 2023 was £3,773k, with an adjusted 2024/25 estimate of £3,936k (including the 23/24 uplift and pending the uplift for 2024/25).

It should be noted that these figures are subject to changes based on recruitment timing, local reviews, interim staffing cover and those roles funded outside the General Fund. Balancing this year is therefore very dependent on vacancy levels of the new posts and ongoing use of cover, handover time and old post levels. All known appointment dates have been factored into these calculations.

3.1.3 The cost of recruiting to this role has been factored into an existing budgeted contract and so there is provision within the 2024/25 budget for the specific recruitment of this post with an Executive search firm.

3.1.4 The Council is continuing to review its approach to market supplements and appointment above the bottom of the scale, and there is a requirement for robust evidence to be produced to justify any such cases.

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. This requires local authorities to publish, on their website, an annual Pay Policy Statement, which has been approved by Full Council. No remuneration may be made to officers outside of this pay policy, although the Council can amend the policy in year. The statements sets out the remuneration of Chief Officers, which are defined as the chief executive, statutory chief officers and non-statutory chief officers (those officers who report to the chief executive, with the exception of administrative staff). For the purpose of the Localism Act, deputy chief officers are also included in the definition and means a person reporting to a statutory or non-statutory chief officer.

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 is mitigated by ongoing reviews of the impact and at least a 12 month update report to this committee.

3.3.2 There are additional risks for the Council. These include the disruption that any restructure causes. A high number of new officers have been appointed and this requires a focus on induction and onboarding. 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 still several interims in post at senior levels, however the senior structure is now more stable and vacancies will in general be dealt with as part of business as usual. Significant restructure updates in services will be reported to this committee.

3.3.3 There is the potential for the loss of institutional memory and knowledge in staff leaving either due to being interim or as they seek other employment. This will be mitigated through thorough hand over expectations of those who leave.

3.4 **Environmental implications**

There are no environmental implications arising out of this report.

3.5 **Equality implications**

The pay policy statement contains reference to the Council's gender pay gap.

3.6 **Procurement implications**

There are no procurement implications arising out of this report.

3.7 **Workforce implications**

The workforce implications are set out in the main body of the report.

3.8 **Property implications**

There are no property implications arising out of this report.

4. **Background Papers**

None.