

**CITY AND COUNTY OF CARDIFF  
DINAS A SIR CAERDYDD**

**Employment Conditions Committee: 17 July 2006**

**Report of the Assistant Chief Executive**

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**Senior Management Arrangements - Update**

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**Background**

1. This Committee has, over a period of time, considered a number of reports outlining proposed changes to the Council's senior management arrangements. This report provides Elected Members with a further update on developments.

**Issues**

2. The last update report to this Committee (24 April, 2006) outlined in detail the current arrangements in place at Chief Officer and Corporate Director level. Since that time, however, a number of developments have taken place.
3. At Chief Officer level:
  - The Chief Adults Services Officer has expressed her wish to retire from the employment of the Council. She is not entitled to retire as of right but she can do so under "Employer's Consent Retirement" under regulation 31 of the Local Government Pension Regulations. This is the 85 year rule, taken by adding the applicant's age to her total membership of the pension scheme. Thus approval by this Committee to the retirement is required. She has suffered ill health for the last 24 months and although at the time of this report she does not qualify for ill-health retirement, she would qualify under the 85 year rule. The early retirement will require a payment by the Council to the Pension Fund of £49,829.66 or £11,661.41 per annum if paid in instalments over 5 years. The provisionally agreed leaving date is 22 August, 2006 and the post has been advertised in the appropriate publications. This is to ensure that Member interviews can take place by the end of July, given the timeframes involved and the summer break. In the meantime, interim management arrangements are being developed by the Corporate Director (Opportunities Cardiff) to be put in place until such time as a permanent appointment is made.
  - The Chief Schools & Lifelong Learning Officer is eligible to retire and has indicated that he intends to retire at the end of December 2006. No Employer's Consent is required and there is no additional cost to the pension fund. Arrangements will need to be put in place on an interim basis until such time as a permanent appointment is made. The post will be advertised in the appropriate publications in July. As reported to this Committee on 24 April 2006, a report to this Committee of 23 March 2005 agreed the longer-term ambition of transferring Schools and Lifelong Learning to the Corporate Director (Opportunities Cardiff). It was, however, felt that this would not be appropriate until 2007 to allow a progression from Special Measures and the Corporate Director concerned sufficient time to embed the changes required in Adults and Children's Services.

In the interim, it was agreed that the Assistant Chief Executive should take responsibility for Schools and Lifelong Learning.

4. At Corporate Director level, Members will recall a report entitled “Review of Senior Management Arrangements” which was considered by this Committee on 23 March, 2005 attached as Appendix 1. The report outlined proposals for the Corporate Management Team to support the 3 year Corporate Plan and to take account of the increasing pressures on resources. The report of the Chief Executive highlighted the need to make incremental changes to the top team over the next 4 years.
5. Within that report, reference was made to further rationalisation proposals for the Corporate Management team with the aim of creating a “lean, effective top team who can work with Members to provide shared leadership across the Authority.” This rationalisation would be incrementally achieved and would secure reductions in the annual senior management costs.
6. The proposals subsequently implemented identified:
  - 3 strong delivery arms, headed by a Corporate Director social issues - Opportunities Cardiff (Neelam Bhardwaja), economic issues - Prosperous Cardiff (Steven Phillips) and environmental issues - Sustainable Cardiff (Emyr Evans).
  - Corporate Director (Tom Morgan ) to lead on major projects such as the Sports Village, CCFC, SD2 and help embed project management culture.
  - Assistant Chief Executive (Jo Farrar) focussing on Strategy, Performance and Corporate Services
7. The report made it clear that these proposals could be achieved by natural wastage and flexible allocation of functions. Reference was also made to moving towards a fewer number of Corporate Directors whilst ensuring that the Executive portfolio areas retained ongoing, professional and high quality support.
8. That Employment Conditions Committee (Minute No 25) resolved that the Chief Executive be authorised:

“(1) to delete certain of the posts of Corporate Director as they fall vacant, adjust the allocation of responsibilities of the Corporate Directors and, where appropriate, advertise posts to create the structure depicted in Appendix B of the report, within the three year time-frame of the Corporate Plan, to empower the top team to manage operational activities and ensure outcomes identified by the Council are delivered.”
9. The existing Corporate Director (Resources) has expressed a willingness to leave (at the end of August 2006) by voluntary severance under Section 26 of the Local Government Pension regulations scheme on the grounds of redundancy. Due to his age (over 60) and years of service there is no additional cost to the pension fund. His post will then be deleted and the functions he currently manages will be realigned elsewhere. As the post will be deleted, this Committee will need to approve the postholder’s voluntary severance on the grounds of redundancy. The costs to the Council of a redundancy payment will be £13,836. However, the significant annual savings to the Council will be £149,963 including employer’s on costs. Those Chief Officers who currently report to the Corporate Director (Resources) i.e Finance and ICT, will temporarily report to the Chief Executive from 1 September 2006.

## **Investment for Reform/Benefit to service user**

10. These proposals will deliver the vision as outlined in the March 2005 report to this Committee. The proposals will enhance corporate working and contribute efficiency savings that can be channelled into front line services, thus improving service delivery.

## **Council Policies Supported**

11. The proposals will establish a clearer line of sight between senior roles and outcomes identified within the Corporate Plan.

## **Advice**

12. This report has been prepared in consultation with relevant Corporate Directors and reflects their advice. It contains all the information necessary to allow Members to arrive at a reasonable view, taking into account the following advice.

## **Legal Implications**

13. This advice is in addition to the references to the Regulations set out in the body of the Report.
14. The power to appoint staff and to determine the terms and conditions on which they hold office including procedures for their dismissal may not be the responsibility of the Council's executive and is therefore a Council function. That power has been delegated by the Council to this Committee. The Constitution provides the appointment of Chief Officers will be made by Council or a Committee of Members delegated by the Council to make the appointment which committee must contain at least one executive Member. The Council has delegated the latter function to the Appointments Committee.
15. The Council may legally review and restructure any Service though as for any Council decision it must be reasonable in all the circumstances and have regard to only relevant considerations and disregard irrelevant ones. It must also have regard to its fiduciary duty to its taxpayers
16. However, it must be noted that the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 require the Council to formulate, publish and keep under review its Policy of how it intends to exercise its discretion to award compensation (added years etc). In formulating and reviewing its Policy the Council must have regard to the extent to which the exercise of their discretionary powers (in accordance with the Policy) unless properly limited, could lead to a serious loss of confidence in the public service; and be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs. Publication of such a Policy does not and may not commit the Council to automatic application of the terms of that policy in every case as this could be seen as fettering the Council's discretion. Each person's case must be considered on its merits and the Council's Policy should be regarded as a broad statement of principles. It is understood that a Policy is to be put to this Committee today for consideration. In the meantime the Policy that is applied has been set by previous meetings of the Committee.
17. Compromise agreements should be sought and signed in the case of the Chief Adults Services Officer and the Corporate Director (Resources).

## **Financial Implications**

18. It is unlikely that the pensions costs arising from the retirement of the Chief Adults Services Officer can be contained in the current year. Therefore consideration will have to be given to paying in instalments and spreading the costs (£11,661.44 per annum) over 5 years. Provision for this would need to be reflected in the Adults Services budget for 2007/08. There are no additional pension costs arising from the retirement of the Chief Schools & Lifelong Learning Officer. However, as is the case with the Chief Adults Services Officer, any advertising and recruitment costs will need to be met by the Service Area in the current year. The Voluntary Severance of the Corporate Director (Resources) will not incur any additional pension costs to the Council with the redundancy costs of £13,836 being met by the part year savings from the deletion of the post. The overall impact of these changes on the Council's budgets will be considered as part of a further report to be submitted to this Committee advising on the organisational arrangements to operate from April 2007.

## **Human Resource Implications**

19. The implementation of the new arrangements by utilising the Voluntary Severance Scheme for the Corporate Director (Resources) will reduce posts at that level from 6 to 5. The number of Chief Officer posts has been reviewed as part of the Chief Officer Review, considered at this Committee in October. The vacant posts of Chief Schools and Lifelong Learning Officer and Chief Adults Services Officer should be filled as quickly as possible.

## **Trade Union Comments**

20. The Trade Unions noted the proposed changes at Chief Officer and Corporate Director level. They sought confirmation that the Chief Adults Services Officer and Chief Schools and Lifelong Learning Officer posts would be filled as quickly as possible. They emphasised the need now for a period of stability to allow the structure to bed-in. They did not wish for further major restructuring to take place as a result of the departure of the 3 individuals concerned.

## **RECOMMENDATIONS**

21. It is recommended that:-
- (i) this Committee approves the retirement by the Chief Adults Services Officer under regulation 31 of the Local Government Pension Regulations and notes the retirement as of right by the Chief Schools & Lifelong Learning Officer and the arrangements to cover both these roles on an interim and longer term basis.
  - (ii) this Committee approves the voluntary severance of the Corporate Director (Resources) and that the post is subsequently deleted.
  - (iii) a further report be submitted to a future meeting of this Committee, advising on the organisational arrangements to operate from April 2007.

## **JO FARRAR ASSISTANT CHIEF EXECUTIVE**

The following appendices are attached.

Appendix 1: Review of Senior Management Arrangements – Report to Employment Conditions Committee 23 March 2005.