

# CARDIFF COUNCIL CYNGOR CAERDYDD

## EMPLOYMENT CONDITIONS COMMITTEE: 22 NOVEMBER 2017

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### SENIOR MANAGEMENT ARRANGEMENTS

#### REPORT OF CHIEF EXECUTIVE

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**Appendix 5 to this Report is not for publication by virtue of paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (descriptions of exempt information Wales)**

#### Reason for this Report

1. The Cabinet has referred to this Committee, for determination as appropriate, the matter of statements specifying the duties of the new senior management posts and any qualifications or qualities to be sought in the persons to be appointed; the terms and conditions of the new posts; and the remuneration for the new posts.

#### Background

2. The current Tier 1 & 2 senior management structure is shown in **Appendix 1** to this report.
3. The salaries and terms and conditions of the current structure were approved previously by the Employment Conditions Committee on 5 November 2012. As part of the report that was considered by the Committee at that time, a senior officer remuneration report produced by Hay Group was included as an appendix, but was exempt from general publication. This provided recommended salary levels that were agreed by the Committee in November 2012 and have been reported subsequently in the Council's annual Pay Policy Statement.
4. On 16 November 2017, the Cabinet agreed an amended senior management structure at Tier 1 and Tier 2, which is designed to ensure that the administration can deliver its Capital Ambition commitments and to take account of the pending retirement of the Director of Social Services. The previous reports on Senior Management Arrangements, which were considered by the Cabinet on 21 September 2017 and 16 November 2017, should be considered as background papers to this report.

## Issues

5. The Employment Conditions Committee is being asked to determine statements specifying the duties of the new posts and any qualifications or qualities to be sought in the persons to be appointed; the terms and conditions of the new posts; and the remuneration for the new posts.
6. The proposed creation, remuneration and advertisement of the new post of Corporate Director People & Communities will be subject to a decision of the Council on 30 November 2017.

## New Senior Management Structure

7. The new senior management structure that was approved by the Cabinet on 16 November 2017 is included as **Appendix 2** to this report.
8. The new senior management structure at Tier 1 & 2 deletes the following posts:
  - Director Communities, Housing & Customer Services
  - Assistant Director Commercial Services
9. The following roles have been identified as having no, or only minor, changes in responsibilities and, therefore, there would be no change for the current incumbent:
  - Director Social Services
  - Assistant Director Children's Services
  - Assistant Director Adult Services
  - Director Economic Development
  - Director Planning, Transport & Environment (*change of job title only*)
  - Director Education & Lifelong Learning
  - Assistant Director Education & Lifelong Learning
  - Director Governance & Legal Services
  - Assistant Director Customer Services
  - Assistant Director Housing & Communities
  - Corporate Director Resources
  - Head of Finance
  - Chief HR Officer
  - Head of Performance and Partnerships
10. The amended senior management structure includes the following new posts, which would need to be advertised externally:
  - Corporate Director People & Communities
  - Assistant Director Corporate Landlord
  - Assistant Director Street Scene
  - Chief Digital Officer
  - Head of Democratic Services (Operational Manager post)

11. Details of these new posts, including the duties of the post and the qualifications and qualities required, are set out in the Role Profiles, which are included in **Appendix 3** to this report.
12. Based on the advice provided by Korn Ferry Hay Group, it is recommended that, as the first three of the new posts listed above in Paragraph 10 of the report are equivalent to existing Corporate Director and Assistant Director posts, they are paid at the spot salary for Corporate Director and Assistant Director as agreed previously by the Committee in November 2012 and also confirmed in the Council's annual Pay Policy Statement for 2017/18, which was agreed in March 2017.
13. The following table shows the pay for the senior management structure as reported in the Council's Pay Policy Statement 2017/18:

<b>Level</b>	<b>Salary*</b>
Chief Executive	£173,417
Corporate Director Resources	£132,613
Directors	£122,412
Chief Officers, Assistant Directors	£83,240
Operational Managers	<u>Level 1</u> 5 points from £54,673 - £66,625  <u>Level 2</u> 5 points from £44,744 - £54,049

*\*Effective from 1<sup>st</sup> April 2017 in line with JNC for Chief Officers and JNC Chief Executive national pay agreement.*

14. The new post of Chief Digital Officer has been evaluated by Korn Ferry Hay Group to be at a level between Director and Assistant Director and it is therefore proposed that a new spot salary of £98,270 should be created.
15. The new post of Head of Democratic Services has been evaluated as an Operational Manager Level 1 (OM1) position by Korn Ferry Hay Group. However, as it is a statutory role, it will require a member appointment panel process.
16. All of the new posts will have the terms and conditions that were agreed previously by the Committee in November 2012. These are detailed in **Appendix 4** to this report.

### Market Analysis

17. Korn Ferry Hay Group has advised the Council that, in terms of market analysis, the proposed salaries are in line with Median of the Public and Not for Profit Basic Pay Benchmarking Data Nationally excluding London (see **Appendix 5**).

## Advertisement of New Posts

18. The Standing Orders (Wales) Amendment Regulations 2014 require posts over £100k salary to be publicly advertised. As a result of these rules, an Authority cannot ring-fence any vacancies with salaries over £100k or above as 'suitable alternative employment' for redundant employees, but must advertise them externally.
19. Advice has been received which states that it is possible to divide up the duties of one deleted post between other existing post-holders without the need to advertise the receiving posts as there would be no vacancies to advertise. However, the extent to which this can be applied without turning the receiving posts into new posts is not detailed in the Regulations. On the basis that any additions to current roles are only minor, then those posts listed above in Paragraph 9 of the report are counted as not changing and, therefore, do not need to be advertised.
20. Advice has also been provided from the Welsh Government stating that any interim appointment of less than 12 months does not need to go through the public advertisement process.

## **Reasons for Recommendations**

21. To support the implementation of the new senior management structure that was approved by the Cabinet on 16 November 2017 and to approve, or recommend to Council as applicable, the duties, role profiles, terms & conditions and remuneration of the new posts.

## **Legal Implications**

22. It is the responsibility of the Cabinet to decide on employment strategy and policy in so far as this has not been further delegated. The Cabinet may therefore determine the broad Senior Management arrangements of the Council.
23. However this is subject to a number of specific requirements set out in the Local Authorities (Standing Orders) (Wales) Regulations 2006 as amended in 2014. These requirements are set out in the Employment Procedure Rules contained within the Council's Constitution. Some of them come within the scope of this Committee's terms of reference.
24. The matters which are within the scope of this Committee's terms of reference are:
  - (a) To draw up statements specifying the duties of the new posts and any qualifications or qualities to be sought in the persons to be appointed.
  - (b) To determine the terms and conditions of the new posts.
  - (c) To recommend the remuneration for the proposed new post of Corporate Director People & Communities to the full Council when it meets on 30 November 2017; and to set the remuneration of the other new posts.

25. Appointments to the new posts, and decisions to dismiss redundant officers, are within the terms of reference of the Appointments Committee.

### **Financial Implications**

26. The costs of the senior management arrangements approved by Cabinet on 16 November 2017 and as set out in this report can be met from within existing budgets for Tier 1 and Tier 2 posts, together with anticipated changes to the operational manager structure. If fully approved, the new structure will be reflected in the Council's 2018/19 Budget with any impact in the current financial year dependant on the timing of the changes including recruitment to the new posts identified in the report. There will be costs associated with the advertising and appointment process and in relation to any redundancy or pension costs that may be incurred and these one-off costs will be funded from within existing resources.

### **HR Implications**

27. This report contains significant HR implications that will need to be managed in accordance with the recommended legal principles, the employment legislative framework and the requirements set out by the Welsh Government. There will need to be ongoing discussions with impacted employees and Trade Union colleagues, with work done to minimise any disruption to the organisation, once every aspect of the new structure has been agreed.

## **RECOMMENDATIONS**

It is recommended that the Employment Conditions Committee:

1. Notes the new senior management structure as set out in Appendix 2.
2. Approves the statements as outlined in Appendix 3 specifying the duties of the new posts and the qualifications and qualities to be sought in the persons to be appointed.
3. Approves the use of the existing terms and conditions for the new posts in order to align with existing senior management posts as set out in Appendix 4.
4. Recommends to Council a spot salary of £132,613 per annum for the proposed new post of Corporate Director People & Communities.

### **PAUL ORDERS**

Chief Executive

16 November 2017

The following appendices are attached to this report:

- Appendix 1: Existing Senior Management Structure
- Appendix 2: New Senior Management Structure
- Appendix 3: Proposed Role Profiles
- Appendix 4: Proposed Principal Terms and Conditions
- Appendix 5: Pay Benchmarking, November 2017 – Korn Ferry Hay Group  
(*Exempt Information*)

#### Background Papers

- Cabinet Report, 16 November 2017: Senior Management Arrangements – Update
- Cabinet Report, 21 September 2017: Senior Management Arrangements
- Pay Policy Statement 2017/18
- Hay Evaluation Report by Korn Ferry Hay Group (*Exempt Information*)