

OVERVIEW AND SCRUTINY COMMITTEE FOR RESOURCES 7 FEBRUARY 2007

Present: Councillors Cooke, Sabetian, Silverson, Springthorpe, Stevens (in the Chair), Tucker and Vallery (as the duly appointed substitute for Councillor Bing)

Apologies for absence were received from Councillor Bing.

23. DECLARATIONS OF INTEREST

Councillors declared no interests at this meeting.

24. REVIEW OF SENIOR MANAGEMENT STRUCTURE

On 23 January 2007 Roy Mawford, Chief Executive, presented a report on the review of the Senior Management Structure. The review was being undertaken as a result of the current financial climate the Council was facing and the fact that the political leadership had changed after the local elections in May 2006. The Chief Executive described how the restructure would result in fewer, but more empowered, Directors and Senior Managers and would enable the authority to continue to be 'fit for purpose'.

The Chief Executive gave a spoken update on changes that had been made to the draft report as a result of consultation with members of staff and elected members. The Overview and Scrutiny Committee were invited to give their comments on the final report.

Members spoke about this restructure and compared it to the one that took place in 2003. They asked what factors had contributed to this new restructure. The Chief Executive replied that underlying factors had caused the financial climate to change and, as a Council, we were faced with reduced external funding. This had resulted in a need to look at the structure of the organisation and the need to adapt to those changes.

Members asked why the current structure of senior management needed to be changed. The Chief Executive replied that the restructure would result in a slimmer, but stronger 2nd and 3rd tier management and decision-making could be devolved to an appropriate level. The restructure would extend managerial arrangements and enable the new 3rd tier management to work effectively.

Members asked how the reduction in 3rd tier management posts would affect the current staffing levels at this tier, whether there would be absorption of staff into other posts or a physical loss. The Chief Executive replied that the reduction in posts would result in three categories; some staff would be unaffected by the restructure, some would have their reporting lines changed

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and some posts would be combined. The last category would involve some actual reduction in posts.

Members raised concerns about loss of organisational capacity and who would take ownership of the 3rd tier proposals. The Chief Executive replied that he would share ownership with the newly appointed Corporate Directors, as they would have direct management responsibility for this level. He also explained that the Council needed to have a senior management structure that was commensurate with the size of the organisation.

Members asked how the Cabinet and Lead Members would fit in with the new structure with regard to portfolios and Directorates. The Leader of the Council, Councillor Pragnell explained that the new structure would be considered when appointing Cabinet and Lead Members.

Councillor Silverson asked if copies of the consultation responses would be available to view. The Chief Executive replied that these responses were sent to him in confidence and it would not be possible to distribute the responses. However, a list of those who responded could be made available to members and those consultees could then decide if they wished to share the information.

Members felt they should be involved at the next stage of consultation regarding the 3rd tier management. The Chief Executive stated that he would be more than happy for the committee to meet again at this stage to discuss the next step in the process.

Members raised concerns regarding the selection process for Corporate Directors, in particular psychometric assessments. Both the Chief Executive and Leader of the Council felt that these were an appropriate way to 'level the playing field' in terms of the interview process as this would give the most objective information about candidates.

The Chief Executive explained that new regulations were coming into effect in April this year relating to age discrimination and this would have some sort of effect on compensation payments. East Sussex County Council had been contacted to obtain useful information, as they had recently implemented a new policy. Members welcomed the collaborative working of Local Authorities.

Members asked to be assured that there was a project plan and risk plan in place for the restructure. The Chief Executive explained that a project group had been set up and a risk plan was in place. However, the project plan could only be taken so far until the new Corporate Directors were appointed and the next stage in the process begun.

Four recommendations were proposed by Councillor Silverson and seconded by Councillor Sabetian. The recommendation that Cabinet be urged not to agree the use of psychometric assessments within the interview process was

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lost by 2 votes to 3. Councillors Sabetian and Silverson asked that their votes for the recommendation be recorded.

RESOLVED that:

- 1. the Resources Overview and Scrutiny Committee is concerned with the potential impact the changes to the structure may have on staff morale and delivery of the Council's Corporate Plan (by 2 votes to 1 with 2 abstentions);**
- 2. the Committee be consulted on the proposed introduction of a revised 3rd tier management structure (unanimous);
and**
- 3. a full review be undertaken of the revised management structure and reported back to the relevant Overview and Scrutiny Committee nine months after implementation (unanimous)**

(The Chair declared the meeting closed at 8.56pm)