



Gloucestershire

COUNTY COUNCIL

APPOINTMENTS COMMITTEE

MONDAY

24 NOVEMBER 2014

**Members' Room - Shire Hall,
Gloucester**

MEETING PAPERS



APPOINTMENTS COMMITTEE

TIME: 3.30pm
DATE: Monday, 24 November 2014
VENUE: Members' Room - Shire Hall, Gloucester

A G E N D A

ITEM	TOPIC	CONTACT
1.	Appointment of Chairman	
2.	Apologies for absence	
3.	Minutes (Pages 1 - 4) To approve the minutes of the meeting held on 14 July 2014.	Simon Harper
4.	Public Questions To answer any written public questions about matters which are within the powers and duties of the committee. The closing date for the receipt of questions is 10am on 17 November 2014. To answer any oral questions put by member of the public with the consent of the Chairman. <i>Depending on the nature of the questions asked it may not be possible to provide a comprehensive answer at the meeting, in which case a written answer will be supplied as soon as reasonably possible after the meeting.</i>	Simon Harper
5.	Members' Questions To answer any written members' questions. The closing date for the receipt of questions is 10am on 17 November 2014.	Simon Harper

6. **Joint Proposal for a shared Managing Director and Commissioning Director for Gloucester City Council and Gloucestershire County Council** (Pages 5 - 14)
Report of the Chief Executive.

Peter Bungard

NOTES

- (a) **MEMBERSHIP** – Cllr Iain Dobie, Cllr Mark Hawthorne, Cllr Jeremy Hilton, Cllr Paul McLain, Cllr Ray Theodoulou and Cllr Lesley Williams
- (b) **DECLARATIONS OF INTEREST** – Members requiring advice or clarification about whether to make a declaration of interest are invited to contact the Monitoring Officer: Jane Burns ☎ 01452 01452 328472, email jane.burns@gloucestershire.gov.uk prior to the start of the meeting.

EVACUATION PROCEDURE - in the event of the fire alarms sounding during the meeting please leave as directed in a calm and orderly manner and go to the assembly point which is outside the main entrance to Shire Hall in Westgate Street. Please remain there and await further instructions.



APPOINTMENTS COMMITTEE

MINUTES of the meeting of the Appointments Committee held on Monday 14th July, 2014 commencing at 2.00 pm.

**PRESENT
MEMBERSHIP:**

Cllr Iain Dobie	Cllr Ray Theodoulou
Cllr Mark Hawthorne (Chairman)	Cllr Lesley Williams
Cllr Jeremy Hilton	

Substitutes: Cllr Will Windsor-Clive

Apologies: Cllr Paul McLain

9. APPOINTMENT OF CHAIRMAN

Resolved

That Cllr Hawthorne be appointed Chairman for the ensuing year.

10. MINUTES

Resolved

That the public summary of the meeting held on 5 March 2014 be approved as a correct record.

11. PUBLIC QUESTIONS

No public questions were received.

12. MEMBERS' QUESTIONS

No member questions were received.

13. STATEMENT OF EMPLOYERS POLICY DISCRETIONS IN RELATION TO THE LOCAL GOVERNMENT PENSION SCHEME

The Committee noted the compulsory and recommended areas of discretion open to the Authority as the employer under the revised Local Government Pension Scheme regulations. The Committee also noted the requirement for the publication

Minutes subject to their acceptance as a correct record at the next meeting

of a written statement of the agreed policy in relation to the exercise of these discretions, as detailed in the accompanying report.

Having considered all the information before it, the Committee

Resolved

That approval is given to the recommendations contained within the accompanying report and for their incorporation into the Council's Policy.

14. IMPLEMENTATION OF THE GLOUCESTERSHIRE COUNTY COUNCIL LIVING WAGE SUPPLEMENT

The Committee was pleased to see that there had been a positive response to the Authority's consultation with schools on the implementation of the Gloucestershire County Council Living Wage supplement with most of the community and voluntary controlled schools having agreed to adopt this supplement from 1st September 2014.

Positive indications had also been received from many of the county's own admission authority schools that they too would be introducing this supplement in some form.

The Committee was therefore advised that it was now appropriate for a Policy Statement on the living wage supplement to be formulated and agreed. That being the case the Committee

Resolved

That the following principles be included in a Policy Statement for the Council's living wage supplement:

- *With effect from 1 September 2014 the Council will introduce an additional local supplement to the pay of all Gloucestershire County Council staff who are currently on salaries of less than the living wage.*
- *It will apply to all Council employees and will be promoted to Council maintained schools.*
- *It will be referred to as the Gloucestershire County Council 'living wage supplement'*
- *The initial rate will be set at the current national 'living wage' value of £7.65 per hour*

Minutes subject to their acceptance as a correct record at the next meeting

- *Review is at the discretion of the County Council with respect to both time of year and value. However, the proposal is to reflect the timetable for any NJC national annual pay award.*

15. EXCLUSION OF THE PRESS AND PUBLIC

Resolved

That in accordance with Section 100 A (4) of the Local Government Act 1972 the public be excluded from the meeting for the business specified in agenda item no. 9 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 1, 2 and 3 of Part 1 of Schedule 12 A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

16. EXEMPT MINUTES

Resolved

That the exempt minutes of the meeting held on 5 March 2014 be approved as a correct record.

CHAIRPERSON

Meeting concluded at 14:35

This page is intentionally left blank

APPOINTMENTS COMMITTEE

Appointments Committee date	24 th November 2014
Officer	Peter Bungard, Chief Executive
Purpose of report	Subject to the decision of Gloucester City Council on the 20 th November, to endorse the establishment of the joint role of Managing Director, Gloucester City Council / Strategic Commissioning Director, Gloucestershire County Council.
Recommendations	Subject to the decision made by the City Council on the 20 th November 2014 to establish this joint post, to ratify the post and to approve both the reporting arrangements within the County Council's senior management structure, and the outline appointments process.
Resource implications	The council will be contributing 50% to the overall cost of the role. The proposal is to offset the £71k employment costs through the savings that will be made by the planned rationalisation of the county council's senior management structure. Further efficiency savings are anticipated from joint working and back office services.
Annex	Gloucester City Council report for 20 th November Council meeting 'Joint proposal for a shared Managing Director and Commissioning Director for Gloucester City Council and Gloucestershire County Council.'

Background

1. Since the deletion of the City Council Chief Executive role in March of this year and the departure of the post holder for the Director of Resources role the City Council has been considering options for its future sustainable senior management arrangements.

Exploratory, cross-party discussions have taken place between City and County Council political leaders, supported by senior officers, and facilitated by the Local Government Association (LGA).

These discussions have concluded that the creation of a joint role incorporating the statutory City Council's Head of Paid Service role, whilst fulfilling a key commissioning role for the County Council would ensure the best use of respective, reducing, resources, and provide major benefits for both authorities and residents.

2. The joint role will have insight and influence over the combined investment (circa £97m) in Gloucester, which offers huge opportunities for both organisations to better address the needs of the City. A combined post will build on the partnership working that has already developed between the two councils; for example the provision of some back office services and support.

For the City Council, the joint role will provide a much needed resilient senior management structure, at a reduced cost. For the County Council, the combined role will enhance capacity and capability to continue to work with communities and create quality partnerships focusing resources on services, particularly those for vulnerable people and families in the City, where geographically our greatest 'need' is found (for example 45% of the families supported through the County Council's Troubled Families programme are Gloucester residents).

3. The recommendation for the joint appointment is the subject of a Gloucester City Council meeting on the 20th November (see Annex). A job profile has been drafted and subject to the outcome of the Council will be subject of a discussion by a new Joint Panel which will be established to govern this position.
4. The City Council will be the employer and the position will be jointly, equally, funded by the City and County Councils. The post will report to the Leader of the City Council as Head of the Paid Service and be responsible for delivering the City Council's Strategic Plan. As Strategic Commissioning Director, the combined post will also be part of the County Council's senior management structure, and report to the Chief Executive.
5. The process for appointing to the joint post will need to be agreed by both Councils.

Recommendations

6. Subject to the outcome of the City Council meeting on the 20th November, the Appointments Committee is asked to:

(i) Endorse the establishment of the joint role of Managing Director, Gloucester City Council / Strategic Commissioning Director, Gloucestershire County Council.

(ii) Approve the consequent, minor change, to the County Council's senior management structure and proposed reporting lines.

(iii) Endorse the proposal to fund the County's equal contribution to the cost of the combined post through the planned savings to be made by rationalising the County Council's senior management structure, noting that proposals will be put to this Committee in the New Year.

(iv) Authorise the Chief Executive of Gloucestershire County Council to approve the joint appointment process and associated timescales following consultation with the following: the City Council, Leader of the County Council; Leaders of the Liberal Democrat and Labour Groups, and the Cabinet Member for Finance and Change.

This page is intentionally left blank

Meeting:	Council	Date:	20 November 2014
Subject:	Joint Proposal for a shared Managing Director & Commissioning Director for Gloucester City Council & Gloucestershire County Council		
Report Of:	Joint report of the Leaders of the City Council & Gloucestershire County Council		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officers:	Martin Shields, Corporate Director of Services and Neighbourhoods, Gloucester City Council		
	Email: martin.shields@gloucester.gov.uk	Tel: 39-6745	
	Pete Bungard, Chief Executive, Gloucestershire County Council		
	Email: peter.bungard@gloucestershire.gov.uk	Tel: 42-5875	
Appendices:	None		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To seek approval of Full Council to appoint a Managing Director for the City Council and a Commissioning Director for the County Council to deliver a new concept of joint working between the two organisations.

2.0 Recommendations

- 2.1 Council is asked to **RESOLVE** that:

- (1) The post of Managing Director for the City Council and Commissioning Director for the County Council to be advertised and recruited to.
- (2) The Head of Paid Service role for the City Council to be assigned to the Managing Director role from the date of appointment.
- (3) Both roles be shared equally (18.5hrs per week).
- (4) Gloucester City Council be the employing authority.
- (5) All costs associated with the roles to be split equally between both organisations, now and in the future.

3.0 Background and Key Issues

- 3.1 Following the departure of Gloucester City Council's CEO in March 2014 and the departure of the Corporate Director of Resources in June 2014, options have been considered by the City Council regarding the future structure of the Senior Management Team.
- 3.2 A replacement for the Corporate Director of Resources is pending and this approach has been supported by Members of all Political Parties. The appointment to this post clearly fits with the recommendations of the LGA Peer Challenge team, regarding consistency of leadership and stability within the organisation.
- 3.3 Following Gloucester City Council's Peer Challenge in Dec 2013, transformational change was identified as a key priority for the Council moving forward. The City Council has a proven track record in this area, for example, using innovative contracts with the private sector (The Gloucester Model) and the move towards shared services. However, there is still much to do both in terms of service redesigns, efficiency gains, value for money and further partnership contracts and joint arrangements that could be delivered with more resilience at the most senior level of the organisation.
- 3.4 Members will be aware that the City Council has a statutory duty under Section 4, Local Government and Housing Act 1989 to designate a Head of Paid Service.
- 3.5 This role has a duty, where they consider it appropriate to do so, to prepare a report to the Council setting out their proposals in respect of any of the following matters:
- The manner in which the discharge of the different functions of the Council is co-ordinated
 - The number and grades of staff required by the Council for the discharge of its functions
 - The organisation of the Council's staff and;
 - The appointment and proper management of the Council's staff.
- 3.6 Following the deletion of the Chief Executive Post (as agreed by Organisational Development Committee on 24 March 2014) it was agreed by Council in June 2014 that the statutory Head of Paid Service role became the responsibility of the Corporate Director for Services & Neighbourhoods.
- 3.7 With the departure of 2 key senior roles within the City Council it is clear that a sustainable and resilient structure is required. The LGA have helpfully facilitated discussions between the City Council and County Council political leaders and Senior Officers and a preferred option has emerged from these discussions. The LGA have confirmed that they are keen to work closely with both councils to identify the right structure to enable the approach to succeed. This support will include helping to develop success criteria and to review the arrangements to ensure that there is senior officer capacity in place for both the short – medium and longer term.

4.0 Preferred Option

- 4.1 Both the City Council and County Council have a strong desire to improve services whilst reducing costs, removing duplication and directing resources to the areas of greatest need. Talks have been on-going for some time regarding the benefits of

sharing services and being creative in our thinking. Back in 2011 'Project Fusion' was launched to explore opportunities for Joint Working which led to the successful development of a hosted SAP (payroll system) for the City Council which is delivered by the County Council. Other 'back-office' services are being considered for partnerships and both organisations are open-minded to the use of external contractors to deliver key services.

- 4.2 Staffing structure changes at senior levels in both organisations now brings an opportunity for shared resources which can significantly benefit the residents of the City. The proposal is to appoint a Managing Director for the City Council who also has Commissioning Director responsibility at the County Council. The role would be split equally between both organisations. The MD role would report to the Leader of the City Council and the Commissioning Director role would report to the CEO at Gloucestershire County Council.
- 4.3 This proposal clearly supports the view amongst Members on both Councils that Gloucester City needs to 'punch its weight' and requires a leadership structure that can fulfil this. Also it is widely recognised that the City Council has a clear understanding of community engagement and has the skills to engage with residents at 'grass roots level', something that the County Council sometimes struggles to achieve.
- 4.4 This dual role will also ensure City Council issues and concerns are expressed and heard at the highest levels of the County Council with the ability to ensure that issues are acted upon and delivered in areas of greatest need. A good example of this is the significant bias towards Gloucester City in many of the services offered to vulnerable people e.g. 400 out of 900 families within the 'Families First' project are within Gloucester. This is already leading to a different approach to service provision in the City and a realisation that for demand management to succeed the County Council needs much better connection to locality services and community activity, both of which are specialities of the City Council.
- 4.5 Whilst it may be too early to really judge the interim management structure within the City Council, a two Director structure is by any definition very thin, and it has been recognised that there is a need to build resilience. Perhaps the current situation of one of the posts being vacant demonstrates the vulnerability to such a model. However, the City Council needs to show on-going financial savings, and the departure of the previous Chief Executive was partly justified on the basis of affordability. It is therefore suggested that some replacement capacity and capability for officer leadership is necessary, but needs to be affordable.
- 4.6 The County Council's challenge is quite different, needing to enhance capacity and capability at the local level to deliver savings relating to a demand management approach. This could be achieved at arm's length through partnership working, and indeed this has been tried in the past, but often found lacking. Given the geographical bias towards Gloucester City, particularly for services to vulnerable people and families, the County Council can justify Commissioning Director investment in the Gloucester City area.

5.0 Alternative Options Considered

- 5.1 At the Council Meeting on 27th March 2014, Members requested a review of the senior management arrangements of the City Council after a six month trial period of the two Director model. However, following the departure of the Corporate Director of Resources succession arrangements need to be put in place sooner rather than later.
- 5.2 Continuing with the two Director model and not progressing with this proposal is an option. However, this does not address the issues of capacity or resilience. The absence of a Director for any significant length of time causes operational concerns and leaves the senior management of the organization at risk. Linked to this, the “first amongst equals” approach where one Director takes on the Head of Paid Service role on a permanent basis does nothing to address the concerns stated above.
- 5.3 Sharing a Chief Executive with another District is not considered to be a viable option at this time. Gloucester is unique in its demography, issues and needs when compared to the other Districts in the County. The recent appointment of the Head of Regeneration coupled with the consultancy expertise that exists within the organisation means that the Council is well resourced with expertise around the regeneration agenda and other large scale strategic projects, such as the stock transfer to Gloucester City Homes. In addition, support can be brought in as and when required to support Cabinet and officers. Sharing senior officer roles would undoubtedly produce savings but any partner District is likely to expect to be reimbursed for their Chief Executive or Senior Management Teams time and may not provide the level of input required to make any significant impact.
- 5.4 It is also worth noting that the traditional CEO role is not what is required for the City Council. The two Corporate Directors are able to manage the organisation on a day to day basis and ensure that the Council’s priorities are delivered to a high quality and within budget. This new role is very much a strategic one as well as being a figure-head for the City Council with real influencing powers over services administered by the County Council and delivered in the City boundary. This effectively, provides a voice for both organisations at the ‘top table’ of discussions.
- 5.5 Some Councils have adopted an approach to senior management where they have a full time leader who is paid enhanced allowances to reflect the additional time and workload placed upon them. Any decision to progress this would need to be considered by the Allowances Panel, but there are no plans to progress this option at this time.
- 5.6 Within these new proposals it is still intended to appoint a second Director at the City Council to address the concerns about resilience mentioned earlier in the report. However, given that the City Council is looking at a range of partnering and outsourcing arrangements for ‘back office’ functions it will be necessary to identify the key tasks to be undertaken by this role as the new structure evolves.
- 5.7 In the meantime, support will continue to be offered by the Deputy Chief Executive of the County Council, Peter Jones, who has a clear understanding of the support required in the current situation and has a wide range of knowledge that can assist officers at the City Council whilst the new structure takes shape.

6.0 Reasons for Recommendations

- 6.1 With the staffing changes taking place in both organisations there is a unique opportunity to pool resources, build on collaborative working, provide resilience, address the issues set out in the Peer Challenge report and provide an organisational figure-head for the City Council.

7.0 Future Work and Conclusions

- 7.1 Reporting lines and governance arrangements will need to be clearly laid down to ensure that both organisations get an equal benefit from the joint role and that Members of both Councils have an opportunity to scrutinise the new arrangements.
- 7.2 The on-going support offered to both Council's by the LGA will continue to be taken up, to ensure a perspective is maintained for both the short-medium and longer term.

8.0 Financial Implications

- 8.1 There will be costs associated with sharing the roles described as both organisations will bear an equal share of any costs, now or in the future. Until the salary and other associated costs have been established it is unclear as to how much of the Budget saving for 2014/15 will be achieved (The Senior Management Team saving identified within the Money Plan and Budget 2014/15, Budget Savings Narrative, appendix 3, is £100,000). Any shortfall in savings will have to be found from elsewhere within the senior management team or from across the wider organisation.
- 8.2 Just for the purposes of financial planning, it is suggested that we work on an assumption of a £110k post, plus employment on-costs, shared exactly 50/50 between the two councils on which basis the proposed salary can be accommodated in both council's pay structures. In terms of comparable pay there are very few roles to compare. The LGA have looked at senior managers pay in the region for district chief executives and county council directors. They have taken into consideration the current climate of austerity, the uniqueness of the post and the skills that will be required to deliver the role effectively and support the proposed salary in order to be able to attract a range of suitable candidates.
- 8.3 Additional savings and cost efficiencies will be achieved from across the organisation by driving through shared services with the County Council and other partner organisations.

(Financial Services have consulted in the preparation of this report)

9.0 Legal Implications

- 9.1 The Council has a statutory duty under Section 4 Local Government and Housing Act 1989 to appoint a Head of Paid Service and these arrangements fulfil that duty.

(Legal Services have consulted in the preparation of this report)

10.0 Risk & Opportunity Management Implications

- 10.1 There is a risk that the post holder will not be able to fully deliver the expectations of both roles in 18.5hrs per week.
- 10.2 However, the opportunities outweigh the risks as these new arrangements will bring an organisational figure-head to the City Council, who can offer leadership and direction to staff and allow other Senior Management to focus on delivering the priorities of the Council. The arrangements will continue to be reviewed on an on-going basis through support from the LGA.
- 10.3 This proposition is clearly a new way of working, and it is recommended that the two councils have some form of joint governance and scrutiny arrangements, to review its implementation and ongoing performance on a regular basis. This should include both member and officer perspectives.

11.0 People Impact Assessment (PIA):

- 11.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

12.0 Other Corporate Implications

Community Safety

- 12.1 The ability for the post holder to influence the troubled families initiative and other County Council functions would contribute to making Gloucester a safer place.

Sustainability

- 12.2 These arrangements provide resilience for the future and offer direct influence in community focused service delivery.

Staffing & Trade Union

- 12.3 These arrangements will bring stability to staff following a period of change.

Background Documents: None