

Committee(s): Policy, Resources & Economic Development Committee	Date: 16 December 2020
Subject: Organisational Review - Update	Wards Affected: All
Report of: Jonathan Stephenson- Chief Executive	Public
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Summary

This report advises members of the need and implications of the recent organisational review for the Council’s Senior Leadership (SLT), which came into effect on the 1st December 2020.

The SLT review is part of a wider review of the organisations pay and remuneration as Brentwood Borough Council for a number of years has had remuneration packages that have not been as competitive as most other Essex Local Authorities.

Recommendation

Members are asked to:

R1. To note the report.

Main Report

Introduction and Background

1. The Council has been through a number of organisational changes over the last 12 months that have included the return of employees to the Town Hall in September 2019, following the redevelopment of the building into a multi-use space. The appointment of a new Chief Executive in December 2019 and the adoption of the new Corporate Strategy Brentwood 2025 “Where everyone matters” in early 2020. This coupled with the ongoing impact of the pandemic COVID 19 has on Brentwood as a place and the organisation.

2. Since the arrival of the new Chief Executive (Jonathan Stephenson) there has been no immediate need to restructure services, though a realignment of directorates was undertaken during December 2019 to provide clearer and stronger accountability in key focused areas.
3. The restructure is part of a wider programme to review the organisations pay and remuneration as Brentwood Borough Council for a number of years has had remuneration packages that have not been as competitive as most other Essex Local Authorities. This has led to issues around recruitment and retention of officers leading to high use of interims (£2.2 million pa currently reducing), which are a more expensive resource. The new arrangement brings the remuneration packages for the Senior Leadership Team in line with the rest of Essex based on regional benchmarking by the East of England Local Government Association (EELGA). This is included in Appendix B (Exempt)
4. By reviewing the organisations leadership and pay structure this will assist in retaining, attracting, and gaining the best resources across the organisation to deliver Brentwood Borough Councils priorities within the Corporate Strategy Brentwood 2025. The intention following this review is to move on to the Extended Leadership Team and then rest of the organisation.

Issue, Options and Analysis of Options

5. The new structure, as set out in Appendix A, creates two Strategic Directors with the disestablishment of the Chief Operating Officer and Director of Commercial Services posts. The new structure came into effect on the 1st December 2020.
6. The reason for this restructure is that the organisation requires additional strategic leadership capacity to ensure the Council can deliver on the current priorities set out within the Corporate Strategy. Following the consultation the previous Chief Operating Officer has been assimilated into one of the Strategic Director roles. The other role will be recruited to following the Extended Leadership review in the New Year.
7. The proposal also includes the creation of a Corporate Director for Digital & Customer Engagement on a fixed term 2-year contract. This role will play an important role in the leadership of the Council's new emerging Digital Strategy with a focus on delivering efficient and effective services for the public. This dedicated new leadership role has become even more important to the organisation following the impact of COVID 19. This role will enable the council to develop further its services to assist recovery and new ways of working for residents of the borough. The intention is to recruit to this role through an internal

recruitment process initially as it is felt we have the talent within the organisation to undertake this important new position.

8. As part of the consultation feedback, a number of changes have been made to service areas direct line management.
9. The restructure of SLT is part of a wider programme to review the organisations pay and remuneration as Brentwood Borough Council for a number of years has had remuneration packages that have not been as competitive as most other Essex Local Authorities. This has led to issues around recruitment and retention of officers leading to high use of interims, which are a more expensive long term resource. This is partly why the Council is managing a high vacancy factor of in excess of 4% included within the Council's establishment budget.
10. The pay policy will be updated as part of the budget setting process. Currently the Council utilises NJC and HAY job evaluation schemes. As part of the SLT consultation and the wider programme, the Council have now included an additional job evaluation scheme, LGA, which is more suitable for senior management job evaluation within the public sector, it is expected that this will be utilised across the organisation as appropriate and phase out the HAY job evaluation scheme.
11. The Pay Policy will also be updated to show the revised pay scales across the whole organisation, however following the restructure, Corporate Directors have been evaluated between £67,805 - £74,698 and Strategic Directors between £81,598 - £88,492. This compares to the benchmarking information that was consolidated and correlates to Tier 1 & Tier 2 of Appendix B (Exempt) and ensures that remuneration remains competitive.
12. Since the SLT restructure has completed, all staff and members have been advised of the changes and reporting lines to Extended Leadership Team (ELT) have been revised.
13. Following the review of SLT, the Council's Extended Leadership Team (ELT) have been advised that they will be included in the second phase of the wider programme and it is expected that a formal consultation will begin in the new year.

Reasons for Recommendation

14. To inform members of the reasons for the proposed restructures.

Consultation

15. Formal consultation has been and will be undertaken with affected employees in accordance with relevant Human Resources legislation and policies.

References to Corporate Plan

16. The favourable impact of these amendments will assist in delivering the priorities as set out in the Councils Corporate Plan 2020-2025.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources)
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Initial proposals with the Chief Executive of a wider review of the Councils pay and remuneration was undertaken during the year. It was agreed to firstly review the Senior Leadership Team (SLT) structure, in order to create scope and parity within the Council's existing pay scales.

The cost of the Senior Leadership Team structure which is included within the base budget for 2020/21 is £635k plus on costs of circa 32%. Approximately £338k of this is also offset by services rendered to SAIL, the Council's wholly owned Company.

	2020/21			2021/22		
	Before	After	Variance	Before	After	Variance
Basic	634,890	577,090	(57,800)	642,550	732,800	90,250
NI	77,870	71,470	(6,400)	79,110	91,720	12,610
Pension	125,850	115,870	(9,980)	127,850	145,810	17,960
Allowances	960	5,160	4,200	960	10,960	10,000
Total	839,570	769,590	(69,980)	850,470	981,290	130,820

Due to in year vacancies within the senior leadership team pay structure it is expected that the revised implemented SLT structure will be managed within the establishment budget of 2020/21, which is currently £11.8m including on costs such as NI & Pension.

However, it is forecasted that there will be a pressure on next years budget of approximately £131k depending on when the Strategic Director role is recruited to. It was expected a pressure would occur following the SLT restructure, due to the consultation principles and inclusion of a Strategic Director role in the initial proposals,

The Council is currently experiencing a high vacancy factor in excess of 4%, this is partly due to managing savings within the establishment, but also issues around recruitment and retention with regards to pay remuneration. The wider programme is expected to benefit the organisation by ensuring that the Council's Pay scales are competitive as well identify natural wastage within long term vacancies.

The current off payroll cost or cost of interims and agency staff is currently approximately £2.2m, although this is reducing, as an increase in recruitment has been undertaken on various establishment vacancies. However in order to offset the projected pressures of the SLT structure and the wider review, the off payroll costs will also be reduced as part of the Council's budget setting proposals for 2021/22 and monitored to ensure revised targets are met.

Legal Implications

Name & Title: Amanda Julian, Corporate Director (Law & Governance) and Monitoring Officer

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When carrying out the restructure of the Senior Leadership Team all employment and human resources requirements were fulfilled, including full consultation with the Unions, Officers and Human Resources.

The Council will follow the same legal process when carrying out the restructuring of the Extended Leadership Team.

By following the legal requirements, the Council is less open to challenge.

Economic Implications

Name/Title: Phil Drane, Corporate Director (Planning & Economy)

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There are no direct economic implications. It is important that the Council maintain a structure to delivery corporate objectives, including to grow the economy.

Background Papers

None

Appendices to this report

Appendix A: Senior Leadership Structure – December 2020

Appendix B: EXEMPT – Benchmarking data