

This Report will be made public on

Report Number **P/21/05**

To: Personnel Committee
Date: 20th January 2022
Status: Non-executive Decision
Chief Executive: Dr Susan Priest

SUBJECT: SENIOR MANAGEMENT RESTRUCTURE UPDATE

SUMMARY: This report provides an update on the senior management restructure that took place at the end of 2019 (P/19/09) and provides information on the redundancy and pension costs for the Director of Transformation and Transition which will require approval from council.

REASONS FOR RECOMMENDATIONS:

The Director of Transformation and Transition post will be deleted from the structure with effect from 30th April 2022. The committee needs to be satisfied that the costs relate purely to the contractual obligations of the council when making a senior post redundant, and recommend as such to council for a final decision.

RECOMMENDATIONS:

1. To receive and note Report P/21/02
2. To recommend to council that the redundancy of the Director of Transformation and Transition be agreed with the associated costs to be paid from the transformation project, as set out in principle in the council report of 28th February 2018 (A/17/24).

1. INTRODUCTION

- 1.1 In 2019 report P/19/09 was approved by Personnel Committee agreeing to the implementation of a new senior management structure comprising the Chief Executive and 3 Directors.
- 1.2 Section 3.1 of report P/19/09 detailed the proposal to realign the existing Corporate Directors at that time into Director-level roles completely funded by project and income budgets.
- 1.3 The role that is the subject of this report is the time-limited role of Director for Transformation and Transition which became responsible for leading key projects until the end of April 2022 at which point the role would cease and the post holder would be made redundant.
- 1.4 The key projects under the remit of this fixed term position have included:
- the Transformation Programme which has now moved into its Continuous Improvement stage following successful implementation across the council;
 - the transition from East Kent Housing to launching our internal Housing service in October 2020 which is now out of Regulation;
 - Mountfield Road Phase 1 with council, partner and other grant funding investment to deliver flexible high quality business space which is open for tenants, while opening up Phase 2 of the Mountfield site using government grant funding to allow the council to dispose of the employment land, or secure other council investment;
 - Princes Parade overall senior level project direction to progress decisions of council
 - Civic Centre Relocation to Otterpool Park which, following in principle decisions made by members, needs to move to more detailed surveying and estates input.
- 1.5 In June 2021, this committee received the annual report from the Head of Paid Service (P/21/04) where it was highlighted that in order to continue delivering the council's priorities at pace, the Corporate Leadership Team were exploring ways of deploying existing resources and report A/21/16 sought agreement for additional resources to continue delivering the key place-making projects from the Corporate Plan (A/20/10) as it is essential that officers with the right skills and experience are in post to successfully deliver our ambitious programme.

2. COSTS ASSOCIATED WITH REDUNDANCY

- 2.1 The costs associated with making the role of Director of Transformation and Transition redundant are high, however we have come to a point with the existing projects where either projects have come to a natural conclusion, or a different skill set is required to continue driving the continuing projects forward.

- 2.2 Recruitment has progressed well since the approval of report A/21/16 with a new Chief Officer – Place & Growth and Chief Officer – Development due to start in early 2022.
- 2.3 As a result it is proposed that the fixed term contract for the Director of Transformation and Transition should come to an end with the post being deleted on 30th April 2022 as agreed in report P/19/09.
- 2.4 The redundancy payment is £23,568.78 and the current estimate of the payment to be made to the Local Government Pension Scheme is £81,264.64. Therefore the total cost to the council is £104,833.42.
- 2.5 Under the annually approved Pay Policy Statement there is a requirement to advise the Council of all payments to be made to an employee (which includes pension costs) when the total of those costs exceed £100,000.

3. LEGAL / FINANCIAL AND OTHER CONTROLS / POLICY MATTERS

3.1 Legal Officer's Comments (AK)

The legal position is set out within the main body of the report.

3.2 Finance Officer's Comments (CS)

It is proposed to meet the cost from available Flexible Capital Receipts as the post has been deleted as a result of the Council's transformation programme. These funds will be made available in 2022/23 through the budget setting process.

3.3 Diversities and Equalities Implications (ASm)

There are no specific Diversities and Equalities Implications arising from this report.

5. CONTACT OFFICER AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting:

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The following background documents have been relied upon in the preparation of this report:

None