



Notice of a meeting of Appointments and Remuneration Committee

Thursday, 7 December 2017

6.00 pm

Pittville Room - Municipal Offices

Membership	
Councillors:	Rowena Hay (Chair), Chris Coleman (Vice-Chair), Flo Clucas, Bernard Fisher, Wendy Flynn, Colin Hay, Chris Mason, Malcolm Stennett and Jon Walklett

The Council has a substitution process and any substitutions will be announced at the meeting

Agenda

1.	APOLOGIES FOR ABSENCE	
2.	DECLARATIONS OF INTEREST	
3.	APPROVE MINUTES OF LAST MEETING Minutes of 3 July 2017	(Pages 3 - 6)
4.	SENIOR MANAGEMENT STRUCTURE REVIEW Report of the Chief Executive	(Pages 7 - 26)
5.	ANY OTHER BUSINESS THE CHAIR DETERMINES IS URGENT AND REQUIRES A DECISION	
6.	DATE OF NEXT MEETING (IF NECESSARY) 5 March 2018	

Contact Officer: Rosalind Reeves, Democratic Services Manager,
Email: democratic.services@cheltenham.gov.uk

This page is intentionally left blank

Appointments and Remuneration Committee

**Monday, 3rd July, 2017
6.00 - 6.10 pm**

Attendees	
Councillors:	Rowena Hay (Chair), Flo Clucas, Colin Hay and Jon Walklett
Apologies:	Councillor Chris Coleman, Councillor Wendy Flynn, Councillor Chris Mason and Councillor Malcolm Stennett

Minutes

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Coleman, Flynn, Mason and Stennett

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. APPROVE MINUTES OF LAST MEETING

The minutes of the meeting held on 27 February 2017 were approved and signed as a correct record.

4. REVIEW OF THE HEAD OF PAID SERVICE ARRANGEMENTS

The Chair introduced the report and reminded Members that the current Head of Paid Service, Pat Pratley was appointed to the role on an interim basis of 18 months, pending the anticipated changes to the council senior leadership team following the creation of the new 2020 company, and the need to review the remaining senior management structure during 2017. The HR Manager reported that this review had now been carried out and Members were being asked to endorse the rationale for the creation of the post of Chief Executive, to agree the responsibilities, grade and salary for the post of Chief Executive Officer, agree that the current HOPS be appointed to the post of Chief Executive Officer from 1 August 2017 and request that the Chief Executive Officer undertakes a review of the Senior Leadership Team and Service Managers and recommend to Council that the post of Chief Executive Officer be created and appoint Pat Pratley with effect from 1 August 2017.

The HR Manager went on to explain that as the role of Chief Executive was a statutory one attracting a salary of more than £100k it would be subject to Council approval. The salary band (£105k-£115k) for the redesignated post had been proposed following an analysis of relevant comparative pay data by the Local Government Association (LGA) and benchmarking against similar level public positions across Gloucestershire. Pat Pratley would be appointed on the bottom spinal column point of £105k and in line with current Council policy would move up to £109k after a six month period.

Members considered the recommendations and supported the proposal. They were now familiar with Pat Pratley's knowledge and expertise having worked closely with her for a number of years in her role as Executive Director, Deputy

Chief Executive and Head of Paid Service. They felt it important that the organisation should move forward with the necessary leadership, capacity and skills to deliver high quality services to people in Cheltenham now and into the future and believed Pat was the right person for this. They recognised that the Head of Paid Service descriptor was a less familiar role outside of local government and a chief executive was more widely recognised by external stakeholders, partners and the public as the ambassador for the council on a local, regional and national level. When asked whether there was a risk to the council in terms of the fact that the previous Chief Executive Officer post had been made redundant, the HR Manager confirmed that there was no risk, the previous Chief Executive had willingly accepted redundancy and the organisation, in terms of its structure and number of staff employed, was similar to that prior to the deletion of the post of Chief Executive in March 2016 due to the decision by Council to withdraw revenues, benefits and customer services from the 2020 joint committee which took effect from November 2016.

RESOLVED THAT

- 1. Endorses the rationale for creation of the post of Chief Executive Officer to replace the current post of Head of Paid Service be endorsed.**
- 2. the responsibilities (to include the statutory roles of Head of Paid Service (HoPS) & Returning Officer), grade and salary for the post of Chief Executive Officer be agreed.**
- 3. the current Head of Paid Service, Pat Pratley, be appointed to the post of Chief Executive Officer from 1 August 2017**
- 4. the Chief Executive Officer be requested to undertake a review of the Senior Leadership Team (Phase 1) and Service Managers (Phase 2) to ensure that the Council has the necessary capacity, skills and behaviours within the executive and service management organisational delivery model and budget to deliver the Council's vision.**

Council be recommended to

- 5. create a post of Chief Executive Officer (to include the statutory roles of Head of Paid Service & Returning Officer) as set out in this report**
 - 6. approve the appointment of Pat Pratley to the post of Chief Executive Officer with effect from 1 August 2017**
- 5. DATE OF NEXT MEETING (IF NECESSARY)**
2 October 2017

Rowena Hay
Chairman

This page is intentionally left blank

Cheltenham Borough Council

Appointments and Remuneration Committee

7 December 2017

Executive Board Restructure

Accountable member	Appointments and Remuneration Committee
Accountable officer	Pat Pratley, Chief Executive
Ward(s) affected	None directly
Key/Significant Decision	Yes
Executive summary	<p>In July this year Council approved the “<i>review of the senior leadership team (Phase 1) and service managers (Phase 2) be undertaken to ensure that the Council has the necessary capacity, skills, behaviours within the executive and service management organisational delivery model and budget to deliver the Council’s vision</i>”.</p> <p>This report is in response to the request made by Council and presents proposals at this stage for a review of the Executive Board.</p> <p>Critical to this review, and intrinsic to informing the proposals set out, is the need for the authority to achieve financial sustainability together with a commitment on the part of the Executive Board for collective ownership and oversight.</p> <p>Creating a leadership team with the structure, capabilities and capacity to effectively deliver the authority’s ambitions has also been fundamental to informing this review. Of particular focus has been the authority’s ambitions for Cheltenham in terms of “place” and Cheltenham as a place where everyone thrives together with its ambitions for growing the local economy, visitor/cultural economy, and Cheltenham as a place where communities and young people thrive.</p> <p>Working in partnership with others who are committed to Cheltenham’s future success, and its future within the wider Gloucestershire context, will continue to be intrinsic to the culture of the authority and in so doing we will continue to be a local authority with the needs of its residents, customers and communities at heart.</p> <p>Going forward the authority will also need to be able to demonstrate, in a challenging employee market place, that its ambitions can be delivered by a modern 21st century local authority, that it is an employer of choice and that it is a learning organisation whose staff embody the authority’s values, and have the knowledge, skills, capabilities, behaviours and competencies to deliver a challenging agenda.</p> <p>Therefore, in order to achieve the ambition of “<i>Cheltenham – a place where everyone thrives</i>” the vision I hold for the authority, as one of the key players in achieving that ambition, is an organisation that thrives and it is</p>

this vision that is the foundation for this review.

I am, therefore, through this report, seeking the approval of this committee to the management restructure proposals as set out. Subject to the committee approving the recommendations, a period of formal consultation with those directly affected will take place with a further report being brought back to this committee in late January/early February.

The indicative costs of the proposals put forward are outlined in section 10. Assuming that the recommendations are progressed as proposed within this report then budgetary provision for those costs would need to be approved by Council at its meeting in February.

Recommendations	<p>The committee is recommended to:</p> <ol style="list-style-type: none"> 1. Agree the management restructure proposals as set out in Section 9 and Appendix 4 of this report for the purposes of formal consultation with Executive Board 2. Note that the Chief Executive intends to commence consultation on 8 December 2017 3. Receive a further report on the management restructure proposals following completion of the formal consultation.
Financial implications	<p>The financial implications are detailed in section 10 of the report and both options can be funded via the Pension and Restructuring earmarked reserve.</p> <p>Contact officer: Paul Jones, Chief Finance Officer</p> <p>paul.jones@cheltenham.gov.uk, 01242 775154</p>
Legal implications	<p>The appointment to and termination of director posts as referenced within this report is in the remit of Appointments and Remuneration Committee. Prior to appointment or dismissal of directors there must be consultation with the Leader and Cabinet in accordance with the Employment Rules.</p> <p>Contact officer: Peter Lewis, Head of Law (One Legal)</p> <p>peter.lewis@tewkesbury.gov.uk, 01684 272012</p>
HR implications (including learning and organisational development)	<p>The report outlines the roles in scope and the likely impact for each of the post holders. Informal discussions with each of the post holders has already taken place and the Chief Executive, supported by the HR Manager will, subject to the agreement to the recommendations within this report, commence formal consultations with the two recognised trade unions and the employees in scope. The outcome of the consultation and any proposed changes to structure and grades will be reported back to the committee in the new year.</p> <p>Contact officer: Julie McCarthy, HR Manager (Publica)</p> <p>julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>

Key risks	<p>The key risks arise out of the issues identified through the SWOT analysis and are outlined below and assessed at Appendix 1.</p> <ul style="list-style-type: none"> • The need to address strategic capacity and skills in relation to service modernisation and organisational development (values, behaviours, skills, competencies) and for a whole authority approach to be taken • Addressing the issues created through the return of services to CBC which means some service groupings are not now logically placed, duplication of effort at Executive Board level can occur in some areas and capacity to deliver key corporate projects is lessened • Achieving financial sustainability
Corporate and community plan implications	The ability to be able to effectively deliver the authority's ambitions has been fundamental to informing this review and of particular focus has been the authority's ambitions for Cheltenham in terms of "place" and Cheltenham as a place where everyone thrives together with its ambitions for growing the local economy, visitor/cultural economy, and Cheltenham as a place where communities and young people thrive.
Environmental and climate change implications	The Place and Economic Development directorate makes a key contribution to the authority's efforts with regard to environmental issues and climate change and will continue to do so under the proposals outlined within this report.
Property/Asset Implications	No operational property and asset matters are raised through this report.

1.0 Background

- 1.1 Council, on 24 July, approved “*a review of the senior leadership team (phase 1) and service managers (phase 2) be undertaken to ensure that the Council has the necessary capacity, skills and behaviours within the executive and service management organisational delivery model and budget to deliver the Council’s vision*”.
- 1.2 The diagram below shows the authority’s current senior leadership team.



- 1.3 The posts marked with an asterisk comprise the authority’s Executive Board.

2.0 Scope

- 2.1 The Executive Board posts, as identified above, will be the focus for this review with my proposal being to review the roles of Director – Environment and Director – Planning within any subsequent review. My reasons for this decision are explained in section 4.

3.0 LGA Benchmarking Senior Roles

- 3.1 The LGA were approached by the HR Manager for their guidance on the salary grades for the proposed new roles. The LGA used data from Epaycheck 2017. This data comprises base pay only and excludes the value of any additional payments made to individual post-holders. From the Epaycheck data the LGA have been able to extract data from a survey of a return rate of 90% of the district councils in the South West. Their view is that the proposed job roles fit within the Council’s existing Chief Officer salary grade 3 (£68,066 to £78,663).

4.0 Director Roles

- 4.1 As the senior leadership team structure shows, the authority has two director posts which report to the Managing Director Place and Economic Development (MD P&ED). On his appointment, the MD inherited a fairly traditional structure and is currently part way through a directorate transformation programme having reported to Cabinet in July on progress being made and the achievement of financial targets.
- 4.2 When endorsing the rationale for the creation of my post, Council was keen to bring about organisational stability during a period of significant change. It is my view also that, at this time, stability is also necessary at the P&ED director level. Both directors, who as well as being engaged with, and supporting the MD with the delivery of the P&ED transformation programme, are also leading on, or contributing to, delivery of a number of key corporate projects; for example, Place Strategy, JCS, West Cheltenham, Cheltenham Plan, new crematorium, Parking Strategy implementation, High Street Public Realm, Transport Plan, Agile Working project.

- 4.3 The direction of travel with regard to the director roles is, and will continue, to take shape. As this committee is aware, were it to be the case that these director level posts would be affected by any proposed further changes in the authority's officer structure, then those matters would be brought before this committee at the appropriate time.

5.0 Organisational Context

5.1 Current context

- 5.1.1 The current structure, first approved in 2015, responded to the impending decisions to further deepen sharing with the 2020 Partnership (now Publica) and in response to the Athey report which examined Cheltenham's role as a business location.
- 5.1.2 When the current Executive Board structure was created it was envisaged that the P&ED directorate would be retained, with the remainder of the authority's staff and services potentially transferred to Publica.
- 5.1.3 A number of changes have taken place since the current structure was put in place; services returned to CBC from the 2020 partnership, the s151 role transferring to the Chief Finance Officer, the Director Resources and Projects having accountability for a growing suite of key projects as well as property services and, on their return, customer services, as well as other corporate accountabilities. These factors have resulted in some duplication of effort and overlap at the Executive Board level in some areas and also resulted in capacity issues which have the potential to impact delivery of key corporate projects. It should be noted that the capacity issues extend beyond the Executive Board level and this will need to be a factor which is addressed in any subsequent organisational review.
- 5.1.4 The P&ED transformation programme commenced in early 2016, as directed by Council and following the appointment of the MD. The programme is progressing well but the current position is that only part of the authority is undergoing a programme of modernisation and change.

- 5.1.5 The current structure is therefore based on a previous direction of travel and my proposal with this review of the Executive Board is to put the key building blocks in place for the future success of the authority. This review will therefore take a "whole authority view" together with ensuring that the executive leadership has the capacity, skills, capabilities and competencies required going forward.

5.2 Cheltenham – a place where everyone thrives

- 5.2.1 Following extensive engagement with partners Council has endorsed a shared ambition for Cheltenham as a "*place where everyone thrives*" alongside outcomes for a town where the local economy, visitor/cultural economy, young people and communities thrive.
- 5.2.2 It will be these "place shaping" ambitions which will feature in shared priorities with partners, and that will feature in the authority's own new corporate plan and drive the priorities within it. However, we already know a number of the priorities that are, and will remain, high on our agenda;
- Spatial planning with our JCS partners leading to the development of 30,000+ homes by 2032 together with securing the necessary infrastructure funding to facilitate long term delivery
 - Adoption of the Cheltenham Plan and making sure, through the way we engage, that all communities have a voice in its formulation
 - Reacting to shifts in the national housing agenda and facilitating the delivery of as much affordable housing as possible

- Development and adoption of “place related strategies”; economic development, visitor economy, sustainable transport, public realm
- Developing a master plan for the town centre public realm and working with GCC to deliver a scheme which in phase 1 enhances the High Street, and supports the arrival of the John Lewis Partnership next autumn
- Cyber security hub infrastructure planning and programming together with feasibility work with CBH to improve communities in the west of Cheltenham on the back of successful external funding bids
- Marketing Cheltenham in its widest sense and building on its reputation as a “thriving festival town” and creating opportunities to contribute to the town through new events, eg, Cheltenham Festival of Cycling
- Refreshing how our strategic partnerships are structured and work and making sure that the growth agenda is not just about the physical place, but is inclusive growth, where the benefit in terms of skills, jobs and educational attainment is felt across the board
- Modernising how the authority works, using new technology, improving the customer experience, understanding how much services cost and in so doing being able to maximise efficiency and potentially raise income, investing in our staff so they have the right skills, capabilities and competencies to deliver
- Delivering a sustainable financial strategy based on external growth and investment coupled with modernising how the authority works and where possible increasing income through commercialisation
- Continuing to drive forward a number of key corporate asset-based projects; Municipal Offices, Swindon Road Depot, Arle Nursery, Town Hall, and now potentially Cakebridge Place

- 5.2.3 The scale of ambition has been described by the Local Government Association (LGA) as towards the more ambitious end of the district scale and up there with the county towns. There is a need to balance the cutting edge thinking of technology-based economic growth with harnessing the potential of the unique character and cultural significance of the place. The LGA points out that the authority is also leading and shaping the overall growth agenda, which others are of course doing, but which is all the more challenging when boundaries are physically constrained as in Cheltenham.
- 5.2.4 In order to achieve the ambition of “*Cheltenham – a place where everyone thrives*” the authority, as one of the key players in achieving that ambition, needs to repurpose itself as “*CBC – an organisation that thrives*”. This vision is the foundation for this review.

5.3 Organisational development and change

- 5.3.1 The P&ED transformation programme is the nearest the authority currently has to a planned and systematic approach to improving organisational effectiveness and modernising service delivery. Members endorsed the creation of the programme in 2014, again in the context of the then 2020 Partnership, with the objectives of retained services that were:
- Customer focussed – delivering services in a more convenient manner for the customer
 - Supportive of economic growth
 - Efficient – with joined up services provided at optimal cost

- 5.3.2 The vision that has emerged is for a directorate which is financially sustainable, has a commercial mind-set, fosters creativity and innovation, has a strong customer and community ethos, is flexible and drives out as much efficiency as possible. The programme is demonstrating what can be achieved if a spotlight is focused on organisational development and cultural change.
- 5.3.3 The directorate ambitions represent, in microcosm, the scale of ambition for cultural change that now needs to be embraced across the whole authority. The programme has, therefore, provided a valuable insight into the extent of organisational development/change that will be needed to achieve the ambitions Members have set and to achieve the required cultural shift to respond to the context we find ourselves in today and as an organisation in the 21st century.
- 5.3.4 Such an approach to transformation and modernisation will require clear and dedicated strategic leadership together with commitment, capacity and skills. Capacity at the executive team level is now required to bring about that focus and to deliver.

6.0 SWOT Analysis

- 6.1 **Appendix 2** shows my assessment of the strengths, weaknesses, opportunities and threats (SWOT) currently facing the Executive Board. This assessment has been shared with the team.
- 6.2 The key issues emerging are:

Strengths and Opportunities

- A strong focus on Cheltenham as a place which is successful economically, culturally and socially
- A committed and ambitious executive team
- The P&ED transformation programme is leading on the approach to modernisation of its services, organisational change and development
- Whilst change can be difficult for staff there is a recognition that change is needed
- A history of strong partnership working continues with alignment on the values and outcomes for Cheltenham to thrive

Weaknesses and Threats

- Achieving financial sustainability
- The need to address strategic capacity and skills in relation to service modernisation and organisational development (values, behaviours, skills, competencies) and for a whole authority approach to organisational development/change
- The need to ensure that all communities benefit from growth and no one is held back and no one is left behind
- Addressing the issues created through the return of services to CBC which means some service groupings are not logically placed and duplication can occur
- Capacity to deliver a challenging agenda at the Executive Board level

7.0 Key building blocks

- 7.1 The key issues which have emerged from the SWOT analysis have informed the key building blocks upon which I propose the Executive Board structure should be based, ie,
- Place and growth
 - People and change
 - Finance and assets
- 7.2 The diagram below, and at **Appendix 3** (in better detail), illustrates my proposal for an executive team with;
- An expectation, at the core, for collective ownership, oversight and delivery
 - Clarity on individual accountabilities and responsibilities
 - A culture of working collaboratively to identify/create the right conditions, actions, relationships, opportunities to achieve the ambitions and outcomes for the authority and for Cheltenham



7.3 What do the key building blocks mean?

- 7.3.1 **Place and Growth** – refers to “place shaping” in its widest sense – being clear on the ambitions for Cheltenham, gaining alignment and commitment from others on the scale of ambition, and having clarity of purpose, intent and capacity to deliver to make sure that Cheltenham is and continues to be a “place where everyone thrives”.

Place shaping is also not just about the development of the **physical place** in a manner that is sustainable, but also the **sense of place**, and how we can shape/influence that “feeling of the place”. For example, we can shape how Cheltenham feels in a number of ways, eg, how we support and encourage existing and new businesses, market our services and the town, bring inward investment in, actively encourage and support start-up opportunities but also working on

the ground with partners and communities so that people feel Cheltenham is safe, vibrant, creative and welcoming.

Growth - relates not just to growth in the original Athey report economic sense, ie, business, visitor, cultural economies that thrive, but also refers to inclusive growth in skills, growth in educational attainment, growth in well-being and growth in community cohesion, all in a period of considerable physical place-based change for Cheltenham.

7.3.2 **People and Change** – refers to “people” in its widest sense, ie, **our staff**, living the authority’s values, having the competencies, skills, behaviours, capabilities to achieve our ambitions, **our customers** (residential, business, visitors) being able to access services in a way that is modern, easy and convenient for them, and that customers have a positive and helpful experience.

People also means **our communities** and relies upon a strong ethos of partnership working, that we work proactively to ensure our communities can thrive, that they have a voice and are able to be more self-sufficient and most importantly are safe. Working with communities will be important to ensure that they do not feel disconnected and that, where appropriate, they feel able to influence/shape proposals so that they feel the benefits of economic growth. Effective and productive working relationships with our key strategic partners, eg, county and district councils, Police, Clinical Commissioning Group, CBH, voluntary and community sectors is, and will continue to be, hugely important so that we can work together to deliver joined up services on the ground.

Change must be managed well. To do so the right capabilities and capacity must be in place, services need to be efficient and cost effective, key projects and risks associated with change must be managed effectively, and commissioning/re-commissioning needs to be sound in practice as well as delivery. In terms of creating financial sustainability a culture of innovation and creativity together with the space to incubate new ideas and grow income should be encouraged.

7.3.3 **Finance and assets** – Firstly it should be noted that whilst this is a full time post, the post-holder is seconded part-time to the Forest of Dean DC as s151 Officer.

This post recognises the continuing need for sound **strategic financial planning** in the context of uncertainty in the national local government finance landscape, and in a context where more of the authority's ongoing financial revenue will come from business rates or commercial opportunities with a potentially higher risk profile.

The relationship between how we develop, grow and utilise our assets needs to be influenced by our ambition for place, how we use our assets and our infrastructure strategically and in the long term to achieve the outcomes we want to see for the town and also the wider county of Gloucestershire.

Active asset management of the authority's asset portfolio and maximising the return from the authority's own assets to help deliver a sustainable financial plan will be increasingly important and is a complex area. And, decisions around the extent as to the **commercial investment opportunities** will heavily rely upon careful and sound strategic financial advice and support.

8.0 How will it work?

8.1 Collective ownership, oversight and delivery

8.1.1 Whilst each member of the Executive Board will have individual accountabilities and responsibilities at the core there will be an expectation for the team to:

- Work with members, individually and/or collectively, with the objective of achieving the authority's ambitions

- Work collaboratively to achieve financial sustainability and deliver the authority's emerging commercial strategy
- Build effective and constructive relationships with key partners, including commissioned providers such as The Cheltenham Trust, Publica, Ubico, etc
- Manage resources to deliver value for money and supporting innovation and change
- Lead and demonstrate a commitment to effective commissioning/re-commissioning to improve outcomes and delivering value for money
- Uphold the principles of good governance, openness, transparency and the effective management of risk in decision making
- Uphold and demonstrate the values and expected behaviours of the authority

8.2 Collaborative endeavour

8.2.1 Each of the building blocks does not sit in isolation, where the accountabilities overlap illustrates the relationship between the building blocks and in so doing creates an expectation of the executive team working collaboratively. **Some examples** may help illustrate, there will of course be many more;

Relationship between People and Change/Finance and Assets – recognising the relationship between financial sustainability and having staff with the necessary skills to contribute to that ambition, having a clear commercial strategy, staff with a commercial mind-set, services being run as efficiently as possible, and entrepreneurship being encouraged and the space to incubate ideas and try things out

Relationship between People and Change/Place and Growth – recognising the relationship between place shaping and bringing communities with you, people and communities benefitting from economic growth, the importance of customer to place, for example, making sure that Cheltenham is seen as “open for business”, that all our customers can access our services in a way that is modern, easy, quick, efficient, and value for money.

8.3 The structure addresses the key issues from the SWOT analysis through:

- Clarity on Executive Board accountabilities and removing duplication
- The re-purposing of the authority post 2020, focusing on a modern 21st century authority with staff who are equipped to deliver and where customers and communities not only benefit from the growth agenda but are central to it
- Addressing the gaps in strategic capacity and skills in driving transformational change and organisational development
- Creates capacity at the executive team level for a transitional period

9.0 Proposed Executive Board structure and areas of accountability

9.1 **Proposed structure**

9.1.1 The proposal is therefore for an Executive Board structure as shown at **Appendix 4**.

- Chief Executive
- Managing Director - Place and Growth

- Executive Director - Finance and Assets (full time post, the post-holder is seconded part-time to the Forest of Dean DC as s151 Officer)
 - Executive Director - People and Change – new full time post
- 9.1.2 The proposals would therefore, if implemented, lead to the deletion of the post of Director of Resources and Corporate Projects, the creation of a new post of Executive Director – People and Change, together with the introduction of a new, part-time transitional post for 2 years of Director – Corporate Projects.
- 9.1.3 Subject to consultation, the proposal would be that this transition role would be graded at a Grade 4 director level salary.
- 9.1.4 It is proposed that the new full time post of Executive Director – People and Change would be graded at a Grade 3 director level salary.
- 9.1.5 The costings within this report in section 10 have been based on the above assumptions.

9.2 **Proposed areas of accountability**

9.2.1 Chief Executive

- Holds statutory role of Head of Paid Service
- Electoral Registration Officer and Returning Officer
- Line management for 3 Executive Directors plus 2 Service Managers
- Senior officer representation/linkage with Leadership Gloucestershire, District Chief Executives/Heads of Paid Service Group, Gloucestershire Economic Growth Joint Committee, Safer Gloucestershire, MP
- District Chief Executive Officer lead for NHS Sustainable Transformation Plan, Health and Wellbeing Board, Children's Safeguarding Board
- Strategic link at Member/Chief Executive level to The Cheltenham Trust, Cheltenham Festivals, Cheltenham Development Taskforce, Ubico, CBH
- CBC Safeguarding lead officer, joint-chair Gloucestershire District Safeguarding Network
- Job description and role as agreed by Council (July 2017)

9.2.2 Managing Director – Place and Growth

- Primarily outward facing role as lead for place agenda and key related strategies; joint core strategy, Cheltenham Plan, neighbourhood planning, economic growth and inward investment, public realm, sustainable transport, tourism, parking
- Two director reports – Environment and Planning
- Ensuring that consultation around strategic planning, eg, Cheltenham Plan, is flexible and responsive to the fact that communities are different and not all have bodies in place, eg, parish councils or neighbourhood forums through which engagement can take place
- Retains accountability for commercialisation of regulatory and environmental services, developing a business approach in key areas, eg, development management, licensing, car parking, crematorium and cemeteries.

- Accountable for developing the authority's approach to contributing to the wider "festival town" ambition through the creation of events which support the authority's wider corporate objectives, for example, Cheltenham Cycling Festival
- Bringing about a positive working relationship between key partners including the Chamber of Commerce, BID, Gloucestershire County Council, Highways Agency, Cheltenham Development Taskforce (CDTF), The Cheltenham Trust, Cheltenham Festivals, so that ambitions are aligned to secure future outcomes for Cheltenham
- Contributes to financial sustainability through the economic growth, inward investment agenda, services that are efficient, flexible and are operated with a commercial mind-set
- Working closely with the Managing Director of CDTF to deliver the taskforce business plan ambitions and also with regard to the Cyber Business Park Group and Cyber Security Infrastructure Group
- Executive Board commissioner lead for Ubico, Cheltenham Borough Homes
- BID Director
- Gloucestershire Airport Shareholder Representative on the Shareholder Forum (economic growth and governance) which means supporting the Leader in his role as shareholder

9.2.3 Executive Director – Finance and Assets

- Full time role – full time post, the post-holder is seconded part-time to the Forest of Dean DC as s151 Officer
- Line management of property services and asset management
- Line management accountability for new (part-time) post Director – Corporate Projects
- S151 Officer
- Exec Board lead for the budget strategy, financial plan, commercial strategy, treasury management strategy, asset management plan, commercial property investment strategy
- Contributes to financial sustainability through s151 role and driving the approach to active asset management and portfolio investment opportunities
- Lead commissioner for Publica (finance and procurement)
- Lead commissioner for South West Audit Partnership
- Ubico director
- Gloucestershire Airport Shareholder Representative on the Shareholder Forum (finance) which means supporting the Leader in his role as shareholder

9.2.4 Executive Director – People and Change (new post)

- Accountability for internal transformation (people, process and practice) and ensuring that the authority, across all its services, delivers first class customer service
- Digital champion and lead commissioner for Publica (ICT and HR/Learning and Development, Health and Safety)

- Accountable for leading and working collaboratively with the Executive Board to achieve a modern workplace with a sustainable future operating model where staff have the competencies, skills, behaviours, capabilities to deliver and operate and behave according to the authority's values
- Executive Board lead for a number of key organisational strategies; people, learning and development, digital, customer
- Lead for corporate strategy, performance management, corporate governance and risk management
- Ensures the place agenda and growth is inclusive and delivers sustainable and flourishing communities
- Working collectively with our partners and using our combined resources effectively to make the greatest difference to people's lives and support people and communities to be more resilient and self-sufficient
- Accountable for corporate communications and the authority's website and for developing the latter to support the more efficient and effective delivery of services to the public
- Accountable for a business change team with a focus on creating the right conditions to incubate and develop new commercial ideas/opportunities, project management support, business case and business analysis capabilities, service review support eg, lean, client support for commissioned services
- Contributes to financial sustainability through a more efficient and effective operating model, seeking to reduce cost as well as growing revenue through creating the right organisational conditions and capabilities to incubate new ideas and develop new ways of raising income

9.2.5 Director – Corporate Projects (part-time transitional role)

- Sponsorship for the delivery of key corporate projects including accommodation strategy, town hall redevelopment, depot rationalisation, Arle Nursery, North Place redevelopment, Cakebridge Place.
- Key role in working with external partners including The Cheltenham Trust, Cheltenham Borough Homes, Gloucestershire County Council, Cheltenham Town Football Club etc
- Engagement and support to cabinet members in the delivery of projects within respective portfolio areas
- Engagement more broadly with all members within CBC regarding the delivery of key strategic projects
- Accountable for sound project governance and decision with regard to key projects
- Reports to Executive Director – Finance and Assets

10.0 **Indicative costs and timeline**

- 10.1 As already outlined, the proposals within this report would lead to the deletion of the post of Director of Resources and Corporate Projects, the creation of a new post of Executive Director – People and Change, together with the introduction of a new, part-time, transitional post for 2 years of Director – Corporate Projects.

- 10.2 The cost of the current three director level posts within the Executive Board structure is £312.6Kpa. This cost is reduced by £35K being the contribution that Forest of Dean District Council makes to this authority for the secondment of the Chief Finance Officer on a part-time basis. The proposals within this report do not, therefore, increase the Executive Board establishment.
- 10.3 With regard to the deletion of the post of the Director of Resources and Corporate Projects, the two potential options are compulsory redundancy or flexible retirement of the current post-holder. Informal discussions with regard to flexible retirement have taken place and a request has been received from the post-holder. For the benefit and information of Members, the following would be the costs to be borne by the authority in respect of the two options; flexible retirement being £174,326 or compulsory redundancy being £219,870.
- 10.4 It is my view that flexible retirement is advantageous over compulsory redundancy because the current post-holder has significant experience of operating at a senior level within the authority, has a detailed understanding of the key corporate projects needing to be delivered, valuable skills and experience to offer from his previous role as the authority's s151 Officer, is adept at creating and maintaining productive key relationships and has a track record for sound governance and financial management.

Timeline

- 10.5 Subject to this committee approving the recommendations within this report the indicative timeline is as follows:

December/January 2018	Consultation with affected staff
February 2018	Appointments and Remuneration Committee receive a further report following the consultation process and, if agreed, approve onward recommendation to Full Council
February 2018	Full Council consider the recommendations of this committee and approve budgetary provision
Feb/March 2018	Commence recruitment process
July 2018	New post-holder commences (assuming recruit in April and 3 month notice period needs to be served)

11.0 Reasons for recommendations

- 11.1 As outlined within the body of this report.

12.0 Alternative options considered

12.1 Status Quo/Reduce the size of the Executive Board

- 12.1.1 The option exists to not review the current Executive Board structure, or to reduce the size of the board. However, this would mean that the weaknesses and threats outlined in this report would fail to be addressed, ie, strategic capacity in transformational change and organisational development, achieving financial sustainability, re-purposing the authority as an employer of choice and creating additional transitional capacity.
- 12.1.2 Council also recognised the need to review the authority's senior leadership by requesting a review be undertaken in July.

12.2 Sharing

- 12.2.1 The option to share the most senior director roles with other district councils or partner organisations was not considered a viable option at this time. Opportunities have been explored to share at the service manager level, most recently in the P&ED directorate, however, these have not materialised into concrete proposals. Opportunities for sharing will continue to be considered when they arise.

13.0 Consultation and Feedback

- 13.1 In developing the proposals contained within this report informal discussions have taken place with the Executive Board.
- 13.2 Group leaders received a draft discussion document which formed the basis for this report at their meeting on 9 October and were supportive of the proposals and the need for change as outlined here.
- 13.3 Informal consultation has taken place with Councillor Rowena Hay in her capacity as Chair of this committee. The draft discussion document considered by Group Leaders was shared with the cabinet on an informal basis with no objections raised to the proposals.
- 13.4 Consultation with trade union colleagues will take place subject to this committee approving the recommendations within this report.
- 13.5 Similarly, formal consultation with those directly affected by the proposals within this report will commence during December and January, again subject to the approval of the recommendations in this report.

14.0 Performance management – monitoring and review

- 14.1 The purpose of this report is to seek approval of this committee to the proposed management structure outlined in **Appendix 3** and to commence formal consultation with those directly affected. As shown in the indicative timeline a further report will be brought back to this committee following the formal consultation process.

Report author	Contact officer: Pat Pratley, Chief Executive pat.pratley@cheltenham.gov.uk, 01242 264100
Appendices	1. Risk Assessment 2. SWOT Analysis 3. Key Building Blocks 4. Proposed Executive Board Structure
Background information	1. Council report 24 July 2017

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likeli-hood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If strategic capacity, skills and focus on authority-wide modernisation and organisational development (values, skills, competencies, behaviours) does not exist there is a risk that the authority will not be as effective, efficient as it needs to be, and will be less able to deliver against its ambitions	Pat Pratley	7.12.17	4	4	16	Reduce	A&R Committee feedback on the proposed Executive Board review	Feb 2018	Pat Pratley	
2	If the capacity issues at the Executive Board level are not addressed there is a risk that the authority will not move forward at the necessary pace and key projects will suffer delay or need to be reprioritised	Pat Pratley	7.12.17	4	3	12	Reduce	Ensure that a future review phase is designed to accommodate the delivery of key projects within the remit of the new Director – Corporate Projects post.	July 2018	Pat Pratley	

3	If the authority's financial strategy is not underpinned by the structure, competencies and culture to deliver then there is a risk that financial sustainability will not be secured	Pat Pratley	7.12.17	5	3	15	Reduce	Ensure that accountability for financial sustainability is collectively owned by the Executive Board and the emerging commercial strategy is underpinned by the skills, competencies and culture to deliver	Ongoing	Pat Pratley	
4	If current service groupings below the Executive Board level are not addressed this will lead to inefficiencies, duplication and will not support the approach to modernising the authority's services	Pat Pratley	7.12.17	4	3	12	Reduce	A&R committee feedback on the proposed Executive Board review	Ongoing	Pat Pratley	
Explanatory notes											
Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)											
Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)											
Control - Either: Reduce / Accept / Transfer to 3rd party / Close											

Current Executive Board Structure**Strengths, Weaknesses, Opportunities and Threats (SWOT)**

Strengths	Weaknesses
<ul style="list-style-type: none"> • A strong focus on place-shaping and growth • Additional strategic capacity in the MD P&ED • P&ED directors add value to delivery and strategic insight • Exec Board that is future focused on creating an organisation that thrives to ensure that Cheltenham thrives • Chief Finance Officer now an employee of CBC • MD P&ED leading a transformation of his directorate • A committed and ambitious executive team • Strong affinity with Cheltenham as a place • Clear about the need to build productive strategic relationships • Clear about the scale of ambition and up for the challenge 	<ul style="list-style-type: none"> • Capacity and capability to deliver a challenging agenda • Strategic skills around organisational change and digital transformation missing • Current structure does not promote accountability at the most senior level for financial sustainability through enterprise and commercial activity, use of our assets and infrastructure, and growth • Chief Executive heads a division as well as leads the organisation (7 direct reports) • Lack of strategic capacity for organisational development and digital transformation at the exec team level • Services that need modernising to meet the needs of customers (residential, visitor, business) and operates as a 21st century organisation • Knowledge, skills, competencies organisational values and behaviours need to reflect the current context and future focus of the authority
Opportunities	Threats
<ul style="list-style-type: none"> • Strong partnership working and alignment on the ambitions and Cheltenham “place” values • Success in securing external funding to support key projects • Good working relations with key partners, eg, BID, CBH, voluntary sector, police, local authorities, CCG • Work in P&ED identifies opportunity to be more commercial and to reshape service delivery • Staff who are keen to be involved in change • The opportunity to create a collaborative organisational model which enables staff to be both flexible and agile whilst still providing clarity on accountability 	<ul style="list-style-type: none"> • The need to become financially sustainable • Future government funding regime uncertain • Collective ability to manage an agenda which will grow • Staff morale and commitment if change is not managed properly • A focus on physical place which does not have an eye to cohesive communities and inclusive growth



