

Derbyshire County Council

FULL COUNCIL

2nd December 2020

Report of the Director of Legal Services and Monitoring Officer

Review of the Council's Senior Officer Leadership Model

1. Purpose of the Report

To outline proposals to temporarily amend the Council's current operating model and introduce a role of Managing Executive Director, which is to be undertaken by one of the existing Executive Directors, for a temporary period of 12 months.

2. Information & Analysis

Derbyshire County Council's officer leadership is currently led by 4 Executive Directors (one which is currently vacant) who, jointly, undertake the duties of the role a single responsible executive used to undertake in the Council, up until the new model was introduced in 2017. They are accountable to the whole Council and act as representatives on outside bodies and partnerships, alongside functional responsibilities aligned to the internal departments.

In that time, there has been significant progress in the way the Council operates internally, facilitated by the Enterprising Council approach, and, in the way in which the Council is working with partners and communities. Going forward the impacts arising from COVID 19 will significantly change the way the Council operates further and build on the work already done in strengthening our engagement and collaboration with our communities, partners and nationally. Additionally, consideration needs to be given to ensure that the Council is structured in a way that achieves the Council's priorities over the medium term whilst taking into account the Council's budget position.

On 24th June 2019, ACOS approved a report to tender for the development and delivery of the Executive Director appraisal process and to review the Council's current collective leadership model. Following this approval, Penna PLC was appointed as our consultancy partner to progress this activity. A summary of the evaluation of the effectiveness of the collective leadership model can be found at Appendix 1.

Furthermore, as reported to ACOS on 1 July 2020, the retirement of the Executive Director in Economy, Transport and Environment also presented an opportunity for the Council to reflect on the officer senior leadership model and subsequently how it arranges its functions and services.

Following an extensive process of 360 degree feedback from internal and external stakeholders, the feedback on the collective leadership model was presented to the Leader of the Council and Executive Directors on 18th September 2020, providing an opportunity to review and reflect on how the collective leadership model can be further strengthened, enhanced and embedded.

Penna PLC have continued to support the Director of Organisation Development and Policy and the Leader of the Council in the development of a range of options available to enhance the current model.

The Council's operating model should:

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- Support Members effectively.
- Ensure the best professional advice is available for decision making.
- Facilitate good governance and provide appropriate support to statutory officers (Monitoring Officer, Section 151 Officer).
- Assure accountability to Members as appropriate and hence to the wider public
- Enable cost-effective stewardship of public resources.
- Ensure effective and efficient delivery of a wide array of local public services.
- Guarantee effective coordination and control of service implementation.
- Ensure effectively collaboration with partners, suppliers and businesses locally.
- Set clear direction and expectations of Council employees.
- Be flexible and agile so as to adapt to changes in the Council's operating context as well as to changes in its internal capability and capacity.

3. Proposal

Collaboration and partnership are at the heart of the Council's operating model. However it is vital that the operating model is further strengthened to ensure the Council is best able to respond to the future challenges brought about by the Covid pandemic, the implications of moving out of the European Union and to also ensure that the Council is comparable against other local authorities. This strengthened operating model will enable the Council to drive forward the potential opportunities for Derbyshire to be part of a devolution deal for the East Midlands. As a first step, it is therefore proposed that a first amongst equal's role will be temporarily applied to the current operating model, initially for a period of 12 months, to ensure the Council remains effectively positioned to operate in its changing landscape whilst maintaining the spirit and principles of the collective leadership model

It is considered critical that the first amongst equals will lead the Corporate functions to ensure that those services, as the drivers for change across the Council, are appropriately aligned to enable further transformation. The post of Executive Director Commissioning, Communities and Policy (CCP) already holds responsibility and accountability for the delivery of these functions and it is therefore proposed that this post will become the first amongst equals and will act in the capacity of Managing Executive Director (MED) (CCP). The 3 Executive Directors will be accountable to the Managing Executive Director for the delivery of their functional responsibilities. The role will support the Leader by providing overall strategic leadership, corporate governance and oversight for the whole council, corporate management team and its employees, monitoring key performance measures aligned to the Council's strategic aims. The first amongst equals will also work with the Leader to ensure the Council best aligns its services and functions, and has the required resources, to deliver the Council's priorities. Finally, the first amongst equals will be designated the statutory role of Head of Paid Service, which is currently held by the Executive Director CCP, and as such will continue moving forward as part of the MED role.

It is crucial that the Leader of the Council retains a line of sight through the organisation, supported by the first amongst equals, whilst devolving functional aspects to ensure strategic objectives and issues are progressed effectively. The Leader of the Council will continue to provide effective and visionary political leadership and strategic direction for the Council, through the MED and Executive Directors and acting as the political spokesperson for the Council.

Supported by the Managing Executive Director, the Leader will ensure that the Cabinet continues to work in partnership with all Executive Directors and the wider corporate

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management and leadership teams. The Managing Executive Director will be the ultimate accountable officer and will support the Leader to represent the whole Council locally, regionally and nationally, promoting the authority through developed and sustained relationships with key external stakeholders, whilst reinforcing the notion of partnership between Cabinet and Senior Officers which is central to the Council's operating model.

To ensure agility and cost-effective stewardship of public resources, it is proposed that the above will be applied for a 12-month period and during this period consideration given to a permanent arrangement going forward.

Additionally, following the review of the operating model, it is considered necessary to recruit to the vacant post of Executive Director, Economy, Transport and Environment. The post will be re-titled Executive Director, Place and recruitment to the role will commence in December 2020.

4. HR Considerations

The temporary additional responsibilities of the Managing Executive Director (CCP) have been subject to the Council's job evaluation scheme, independently evaluated by Korn Ferry Hay Group, and this has confirmed that the role is commensurate with Grade 21 of the Council's pay structure.

Informal engagement has already been held with all the Executive Directors within the Council. Subject to Full Council approval, formal consultation will be undertaken with the Executive Director, CCP and Trade Unions. There is no formal requirement to consult with the remaining Executive Directors, however, further engagement will continue to ensure the enhanced operating model is embedded.

The Council has commissioned independent legal advice in respect to the process to appoint to the new role. It is considered that the temporary MED duties are an addendum to the role of Executive Director, CCP and as such, the Executive Director CCP will be issued a variation to contract to undertake this temporary role. If this variation to contract offer is accepted, the start date for implementation will be 1 January 2021.

5. Legal Considerations

The proposals in the report do not require amendments to the Constitution. The specific delegations to Executive Director CCP will be transferred to the Managing Executive Director (CCP) for the duration of the temporary appointment.

6. Financial Considerations

There are additional costs associated with this proposal relating to the difference between the current salary of the ED (CCP) and the bottom of the revised grade for MED (CCP) plus any National Insurance and Employer Pension Contributions. The cost is around £26,000 over the 12-month period and can be met from within the CCP Budget.

7. Officer Recommendation

It is recommended that Full Council:

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- 1) Approve the proposed temporary changes to the Council's operating model and the introduction of a temporary Managing Executive Director (CCP) for a period of 12 months.
- 2) Approves the variation to contract process as set out in the report.
- 3) Notes the intention to review the temporary arrangement during the next 12 months and submit a further report to Council.
- 4) Notes the commencement of the recruitment process to the role of Executive Director, Place.

Simon Hobbs
Director of Legal Services and Monitoring Officer

Appendix 1 – Summary of Collective Leadership Model Feedback

Feedback on the Council's collective leadership model was gained from a range of stakeholders including the Leader and Portfolio Holders, Opposition Leader, External Partners, Executive Director Line Reports and Executive Directors.

The review aimed to consider how the model was working in practice, its strengths, gaps and risks and views on what would make it more effective.

The following summary points have been concluded from the review:

- The collective leadership model has made positive influences on culture, cross council working, collaboration and tone and whilst there are wide ranging views on it, there is no clear evidence that it is having a significant negative impact on the organisation's ability to deliver its services. However there are consistent concerns over pace and focus of decision making and its capacity and capability to support a post Covid 19 agenda.
- The collective leadership model is consistently viewed as sub optimal. Partners in particular have the least support and confidence of the model; Members are mostly supportive but want improvements; Line reports are supportive but recognise the challenges and many would prefer a clear lead; Executive Directors are making it work and celebrating the benefits, but recognise the challenges and are concerned about capacity and the fragility of the model.
- The collective leadership model is improving and there is potential to drive this further and faster if the model is the preferred option for the administration.
- The capacity, capability and approach within the collective leadership model should be enhanced to ensure the model is strong enough to navigate and drive the ambitious future agenda. There are quick wins that would support this, including the embedding of Vision Derbyshire, clarity on leadership and accountability, further development of the constitution and clarity on the future operating model.
- Capacity, attractiveness, pay and talent development issues need to be addressed. It is evident that if a reliance on talent, behaviour and values is key, this should be an area of development and investment to fully strengthen and embed the collective leadership model ways of working.