

Notice of Meeting

People, Performance and Development Committee



SURREY
COUNTY COUNCIL

Date & time
Friday, 27
November 2015
at 10.00 am

Place
Committee Room C,
County Hall, Kingston
upon Thames, Surrey
KT1 2DN

Contact
Andrew Baird
Room 122, County Hall
Tel 020 8541 7609

Chief Executive
David McNulty

andrew.baird@surreycc.gov.uk



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[@SCCdemocracy](https://twitter.com/SCCdemocracy)

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Andrew Baird on 020 8541 7609.

Members

Mr David Hodge (Chairman), Mr Peter Martin (Vice-Chairman), Mr Ken Gulati, Mr Nick Harrison, Ms Denise Le Gal, Mr Mel Few (in place of Ms Denise Le Gal) and Mrs Hazel Watson

Ex Officio:

Mrs Sally Ann B Marks (Chairman of the County Council) and Mr Nick Skellett CBE (Vice-Chairman of the County Council)

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES OF THE PREVIOUS MEETING: 29 OCTOBER 2015

(Pages 1
- 10)

To agree the minutes as a true record of the meeting.

3 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

Notes:

- In line with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, declarations may relate to the interest of the member, or the member's spouse or civil partner, or a person with whom the member is living as husband or wife, or a person with whom the member is living as if they were civil partners and the member is aware they have the interest.
- Members need only disclose interests not currently listed on the Register of Disclosable Pecuniary Interests.
- Members must notify the Monitoring Officer of any interests disclosed at the meeting so they may be added to the Register.
- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting (*23 November 2015*).
2. The deadline for public questions is seven days before the meeting (*20 November 2015*).
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 ACTION REVIEW

(Pages
11 - 14)

For Members to consider and comment on the Committee's actions tracker

6 RESHAPING LEADERSHIP ROLES

(Pages
15 - 22)

To note the review of the efficacy of the interim Deputy Chief Executive role and seek the Committee's endorsement of the Chief Executive's further proposals for reshaping Surrey County Council's senior leadership team.

7 EXCLUSION OF THE PUBLIC

Recommendation: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

8 SENIOR PAY POLICY EXCEPTIONS REPORT NOVEMBER 2015

(Pages
23 - 30)

The People, Performance and Development Committee (PPDC) acts as the Council's Remuneration Committee under delegated powers, in accordance with the Constitution of the County Council. The purpose of this paper is to highlight decisions taken / recommendations on pay that fall outside the published Pay Policy.

Exempt: Not for publication under Paragraph 1

Information relating to any individual.

9 PAY POLICY STATEMENT 2015-16

(Pages
31 - 38)

This report sets out for Committee's approval proposed amendments to the Council's Pay Policy Statement 2015-16.

Exempt: Not for publication under Paragraph 1

Information relating to any individual.

10 DATE OF NEXT MEETING

The next meeting of People, Performance and Development Committee will be on 29 January 2016.

David McNulty
Chief Executive

Published: Thursday, 19 November 2015

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

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Thank you for your co-operation

MINUTES of the meeting of the **PEOPLE, PERFORMANCE AND DEVELOPMENT COMMITTEE** held at 10.00 am on 29 October 2015 at Committee Room C, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its meeting.

Elected Members:

Mr David Hodge (Chairman)
Mr Peter Martin (Vice-Chairman)
Mr Ken Gulati
Mr Nick Harrison
Ms Denise Le Gal
Mrs Hazel Watson

In Attendance

Carmel Millar, Director of People and Development
Ken Akers, Strategic HR Relationship Manager

84/15 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

There were no apologies for absence.

85/15 MINUTES OF THE PREVIOUS MEETING: 29 SEPTEMBER 2015 [Item 2]

The minutes were agreed as a true record of the meeting.

86/15 DECLARATIONS OF INTEREST [Item 3]

There were none.

87/15 QUESTIONS AND PETITIONS [Item 4]

There were none.

88/15 ACTION REVIEW [Item 5]**Declarations of interest:**

None

Witnesses:

Carmel Millar, Director of People and Development

Ken Akers, Strategic HR Relationship Manager

Key points raised during the discussion:

1. In relation to A2/15, the Chairman confirmed that he had discussed a strategy for reinforcing the Think Resident Think Councillor message among staff members with the Acting Lead Manager of Democratic Services and informed the Committee that this strategy would be implemented over the coming weeks.
2. It was agreed that, as training for Members' on declaring any interests had not yet been delivered, that A5/15 would be returned to the section of the Actions Tracker which records ongoing actions.

Actions/ further information to be provided:

None

RESOLVED:

To note the tracker.

89/15 APPRAISAL COMPLETION REPORT FOR FINAL APPRAISALS CARRIED OUT IN 2015 (TO COVER PERFORMANCE IN 2014/15) [Item 6]**Declarations of interest:**

None

Witnesses:

Carmel Millar, Director of People and Development

Key points raised during the discussion:

1. An updated version of Annex A was tabled at the meeting and provided the Committee with the final number of appraisals that had been completed across the Council for the year 2014/15. The final completion rate for appraisals was tabled at the meeting.
2. The Director of People and Development introduced the report highlighting that a final completion rate of almost 92% had been completed across SCC. Although there was room for improvement within some directorates, in the main, services had managed to complete appraisals for the majority of eligible staff within a significantly shorter timeframe than in previous years.
3. Members inquired about the Adult Social Care Mental Health Team's appraisal completion rate and why it stood at just under 16%. The Committee was informed that although the team fell under the remit of Adult Social Care, it was comprised of staff members from both the NHS and Surrey County Council (SCC) and was in fact managed by a senior NHS manager. The Director of People and Development indicated that the appraisal eligibility for particular members of the Mental Health Team had been the source of some discussion. It was agreed that only those staff which are eligible for an appraisal should be included in appraisal completion data. It was further agreed that the Committee would receive a report at a future meeting on outlining the criteria for eligible staff in instances where they worked as part of a team that was integrated with the NHS.
4. Some Members of the Committee expressed concern regarding the number of staff appraisals completed within the Children, Schools and Families Directorate and asked why this number wasn't higher. The Director of People and Development stressed that the final appraisal completion rate for the Service showed significant improvement from where it had been a few months ago and that this figure could be viewed as something of a success given the challenges that the Directorate had faced over the past year. Members recognised that improving the way that the Service operated would be an iterative process and that a higher rate of appraisal completion across the Children, Schools and Families Directorate was anticipated next year.
5. Further information was also requested on why the Information Management and Technology (IMT) Team had only been able to complete 75% of appraisals. The Director of People and Development informed Members that that information would be sought from relevant senior manager regarding the appraisal completion rate and that this would be circulated to the Committee. It was, however, highlighted that initiatives such as Orbis and a number of other projects had placed a great deal of pressure on IMT and this may have impacted adversely on the number of appraisals that the Service had managed to complete.
6. The Committee expressed their satisfaction with the number of appraisals that had been completed across the organisation. It was agreed that the Chairman would write a letter to the Chief Executive of the Council to thank directors and heads of services for achieving such a high appraisal completion rate in a what was a significantly reduced timeframe from the previous year.

Actions/further information to be provided:

- i. The Committee to receive a report providing clarification on eligible staff in instances where they are part of an integrated service delivery team with the NHS (**Action Review Ref: A22/15**).
- ii. The Director of People and Development to circulate further information to the People, Performance and Development Committee on the reasons behind the Information Management and Technology Team's comparatively low appraisal completion rate (**Action Review Ref: A23/15**).
- iii. The Chairman to send a letter to the Chief Executive congratulating directors and heads of service for achieving such a high appraisal completion rate (**Action Review Ref: A24/15**).

RESOLVED:

That;

- i. The People, Performance and Development Committee note that the final completion rate for eligible appraisals, as recorded on the system, stands at **91.71%** completion, which is a great achievement across the organisation.
- ii. The Council will now focus on the appraisal year 2016 and the support which services will need in relation to completing high quality appraisals. The proposal for 2016 will be to link appraisal to the new pay and reward strategy which People Performance and Development Committee Members will consider later this year.
- iii. The Committee continue to request reports for appraisal completion data on a quarterly basis.
- iv. Members note a period of two years for completion of a significant programme of appraisal training for over 300 team leaders has commenced for Commercial Services to facilitate completion of all appraisals for the 1,500 staff in that service.

90/15 RESHAPING SENIOR OFFICER ROLES [Item 7]**Declarations of interest:**

None

Witnesses:

Carmel Millar, Director of People and Development

Key points raised during the discussion:

1. Discussions began with the Chairman stressing the importance of combining the Adult Social Care and Public Health directorates in SCC to help facilitate the continued integration of adult social care and health services across the county.
2. Members inquired about the recommendation to create a Deputy Director of Adult Social Care post and whether this was a management structure which was mirrored within other parts of the organisation. The Committee was informed that the deputy model was a good model for other services to aspire to. It was highlighted that this would create a resilient management structure and it was anticipated that adult social care services in the county would benefit from the creation of two strong Deputy Director positions.
3. In relation to recommendation iii, the Committee were informed that the Leader of the Council and Chief Executive have a strict policy of ensuring that senior officers who left the employment of the Council only receive the amount of money that they are legally and contractually entitled to. It was noted that all such exits were subject to scrutiny by the District Auditor who checks that procedures around the departure of senior officers are followed. It was highlighted that, as their post became redundant, the departed Assistant Chief Executive was entitled to a redundancy payment from the Council, in accordance with the Council's policy.
4. The Director of People and Development agreed to circulate a note to Members outlining the roles and responsibilities of the Corporate Leadership Team following the restructure ahead of the next PPDC meeting on 27 November 2015.

Actions/ further information to be provided:

The Director of People and Development to circulate a note to Members of the Committee outlining the roles and responsibilities of Members of the Corporate Leadership Team following its restructure ahead of the People, Performance and Development Committee meeting on 27 November (**Action Review Ref: A25/15**)

RESOLVED:

- i. The amalgamation of Adult Social Care with Public Health and the creation of a new post of Strategic Director of Adult Social Care and Public Health, with effect from 27 November 2015.
- ii. That a meeting of the People, Performance & Development Committee will be convened on a date to be agreed in November, which will:
 - a. Interview Helen Atkinson for the role of Strategic Director of Adult Social Care and Public Health.
 - b. Interview shortlisted candidates with a view to appointing to the newly created post of Deputy Director (Adult Social Care) and note that the post of Deputy Director (Public Health) already exists and that Ruth Hutchinson matches to this role.
- iii. The People, Performance and Development Committee notes that the Assistant Chief Executive has left the employment of the Council and

that the Chief Executive will not be replacing her post on a like for like basis.

91/15 UPDATE TO SPECIAL LEAVE POLICY [Item 8]

Declarations of interest:

None

Witnesses:

Hana Alipour-Mehraban, Commissioning Project Officer, Children's and Safeguarding Service

Linda Johnson, Fostering and Adoption Recruitment Officer, Children's Safeguarding Service

Key points raised during the discussion:

1. The Committee commended the report and the changes that it proposed to the Council's Special Leave Policy. Members agreed that a report should be considered by PPDC in 2016 to consider the impact of these changes to the Special Leave Policy and the extent to which it had encouraged more SCC staff to become foster carers or adopters.

Actions/ further information to be provided:

A report to be considered by the People, Performance and Development Committee at its meeting in October 2016 outlining the impact of changes to the Council's Special Leave Policy. **(Action Review Ref: A26/15).**

RESOLVED:

That PPDC;

- i. Agrees to the introduction of an additional leave category in the Council's Special Leave Policy for Council employees who are prospective and approved foster carers, prospective and approved friends and family carers, prospective special guardians, prospective adopters, former foster carers under a "Staying Put" arrangement and supported lodgings providers, to support looked after children and those young people previously in foster care who may be transitioning into adult services or in becoming independent.
- ii. Recognises foster children and young people under a "Staying Put" arrangement or in supported lodgings as dependents for the purposes of emergency leave.

92/15 EMPLOYEE ENGAGEMENT CAMPAIGN UPDATE [Item 9]

Declarations of interest:

None

Witnesses:

Carmel Millar, Director of People and Development.

Key Points raised during the discussion:

1. The report was introduced by the Director of People and Development who highlighted some of the work which had been done to engage SCC staff in the Council's values and ways of working. The strategy aims to inspire managers to promote these values among their line reports particularly those who work either part-time or remotely. It was highlighted the 'Leading with Confidence' programme and that further events would take place in spring 2016 to promote engagement among staff. This included draft proposals to extend the engagement to up to 2,000 members of staff. This would be an opportunity to feedback directly to staff about the staff survey results, to better understand how staff are feeling and for it to be an interactive event directly with the Chief Executive and other senior officers of the Council.
2. Members expressed their support for the strategy and the steps that were being taken to engage with the whole workforce. The Committee stressed the importance of staff being given the opportunity to meet with members of the Cabinet and/or the Corporate Leadership Team (CLT) as a means of boosting morale and promoting the Council's values across the organisation. This also enables the Cabinet and CLT to better understand the roles and responsibilities of staff across the different services.
3. Attention was drawn to the targeted increase in advocacy rates outlined by the report and it was suggested by Members that achieving a staff advocacy rate of 55% by 2016 was ambitious. The Director of People and Development acknowledged that this was a challenging target particularly given the varied services that the Council provides and the diverse workforce that was required to deliver these services. The Committee was informed that more would be understood about how the Council was performing in improving advocacy rates once the results of the staff survey had been published.
4. The Director of People and Development was asked to clarify what an on-line collaboration system was. It was highlighted that this was an on-line resource for connecting staff across different services and different sites together.

Actions/ further information to be provided:

None

RESOLVED:

That;

- i. The Committee notes the achievements to date;
- ii. The Committee supports the further events being suggested, and
- iii. Officers report back to the Committee in March 2016 with an update on the campaign and outcomes from the survey.

93/15 EXCLUSION OF THE PUBLIC [Item 10]

RESOLVED: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Schedule 12A of the Act.

94/15 PAY POLICY EXCEPTIONS [Item 11]**Declarations of interest:**

None

Witnesses:

Ken Akers, Strategic HR Relationship Manager

Key Points raised during the discussion:

1. The Strategic HR Relationship Manager introduced the report. The Committee asked a number of questions which were responded to by the officers present, before moving to recommendations.

Actions/further information to be provided:

The actions arising from this report are laid out in the Part 2 minutes.

RESOLVED:

The Committee approved the recommendations set out in the confidential report, these recommendations are highlighted in the Part 2 minutes.

95/15 ADULT SOCIAL CARE - TRAINEE SCHEME - SOCIAL WORKERS AND OCCUPATIONAL THERAPISTS [Item 12]**Declarations of interest:**

None

Witnesses:

Ken Akers, Strategic HR Relationship Manager

Key Points raised during the discussion:

2. The Strategic HR Relationship Manager introduced the report. The Committee asked a number of questions which were responded to by the officers present, before moving to recommendations.

Actions/further information to be provided:

The actions arising from this report are laid out in the Part 2 minutes.

RESOLVED:

The Committee approved the recommendations set out in the confidential report, these recommendations are highlighted in the Part 2 minutes.

96/15 DATE OF NEXT MEETING [Item 13]

Meeting ended at: 11 am

Chairman

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People, Performance & Development Committee – ACTION TRACKING

ACTIONS

Number	Meeting Date	Item	Recommendation / Action	Action by whom	Action update
A2/15	6 March 2015	Action Review	Reinforce the Think Resident Think Councillor message with officers and Members.	Director of People and Development/ Democratic Services Lead Manager	A report is currently being prepared for the Leader based on discussions about this issue with the Acting Lead Manager of Democratic Services.
A5/15	2 April 2015	Declarations of Interest	Officers review the training offer for all Members on interests.	Director of People and Development/Director of Legal and Democratic Services	Two training sessions for Members have been scheduled to roll out guidance The possibility of creating an e-learning facility is also being considered. Information about Member training sessions will be circulated to Members in the week commencing 23 November.
A16/15	29 September 2015	Ensuring our Services are accessible and responsive: Telephone and voicemail policy	The Head of Customer Services and Head of Customer and Communities Directorate Support to provide the Committee with further information on why so many school applications were submitted after the deadline.	Head of Customer Services	The trend in missing school applications is currently being explored and further information will be sent to the Committee once the outcomes of this research become available.

People, Performance & Development Committee – ACTION TRACKING

A22/15	29 October 2015	Appraisal completion for appraisals carried out in 2015.	The Committee has requested clarification on those staff who are eligible for appraisal by SCC in instances where they are part of an integrated service delivery team with the NHS.	Strategic Organisational Development Manager	Clarification has been sought on this and will be circulated to the Committee ahead of its meeting on Friday 27 November.
A23/15	29 October 2015	Appraisal completion for appraisals carried out in 2015.	It was agreed that further information would be provided to the Committee on IMT's comparatively low appraisal completion rate.	Strategic Organisational Development Manager	Further information has been requested from IMT and this will be circulated to the Committee in advance of its meeting on Friday 27 November.
A24/15	29 October 2015	Appraisal completion for appraisals carried out in 2015.	The Chairman indicated that he would send a letter to the Chief Executive congratulating directors and heads of service on achieving such a high appraisal completion rate.	Regulatory Committee Manager/ Executive Assistant to the Leader	This letter is in the process of being drafted.

People, Performance & Development Committee – ACTION TRACKING

COMPLETED

Number	Meeting Date	Item	Recommendation / Action	Action by whom	Action update
A7/15	12 May 2015	Officer Code of Conduct amendment	Reinforce the Seven Standards of Public Life.	Chairman/ Lead Manager for Democratic Services	A letter from the Chairman of PPDC to all Members was circulated on 28 October.
A11/15	17 July 2015	Changes to Conditions of Service	Officers to develop a promotional campaign aimed at Councillors regarding access to MyBenefits	Strategic HR Relationship Manager/ Lead Manager for Democratic Services	An update was circulated to the Committee on 29 October from the Pay and Rewards Team regarding the promotional campaign that had been implemented for Members.
A13/15	17 July 2015	Pay Policy Exceptions Analysis	The Chairman to write a letter to all relevant Strategic Directors and Heads of Service to explain the rules for pay exceptions. All officers are to acknowledge receipt of the letter.	Chairman/ Director of People and Development	<p>A letter has been drafted and it is agreed that this will be sent by the Deputy Chief Executive. The letter was held back until the summer holidays had finished to make sure that all managers are aware of the approach.</p> <p>The email was circulated by the Deputy Chief Executive on 21 September 2015 with instructions to cascade to direct reports. This email was forwarded onto PPDC on 5 October 2015.</p>
A17/15	29 September 2015	Social Worker and Occupational Therapist 'Refer a Friend' Scheme	The Strategic HR Relationship Manager to provide a report to the Committee at a future meeting demonstrating where the 'refer a friend' incentive scheme has been introduced.	Strategic HR Relationship Manager	This has been added to the forward plan for discussion at the Committee's meeting on 27 October

People, Performance & Development Committee – ACTION TRACKING

A18/15	29 September 2016	Social Worker and Occupational Therapist 'Refer a Friend' Scheme	The Strategic HR Relationship Manager to update the Committee every six months on the progress of the 'refer a friend' incentive scheme	Strategic HR Relationship Manager	This has been added to the Committees forward plan for consideration by the Committee every six months.
A19/15	29 September 2015	Arrangements for the Appointment of Senior Managers to the Orbis Joint Partnership Between Surrey County Council and East Sussex County Council.	The Chairman of PPDC to send a letter to the Secretary of State for the Department of Communities and Local Government requesting that Section 13 of the Local Government and Housing Act 1989 be reviewed	Regulatory Committee Manager	The letter is in the process of being drafted and will be sent to the Secretary of State before the next of PPDC meeting on 29 October 2015.
A25/15	29 October 2015	Reshaping Senior Leadership Roles	Members asked to receive a note on the roles and responsibilities of members of the Corporate Leadership Team following its restructure. It was requested that this be sent ahead of the PPDC meeting on 27 November	Director of People and Development	A note was circulated to Committee by the Director of People and Development on 29 October.
A26/15	29 October 2016	Update to Special Leave Policy	The Committee requested an update on the effect of the change to the Council's Special Leave Policy on the number of SCC staff fostering and adopting at its meeting on 27 October 2016.	Commissioning Project Officer	This has been added to the forward plan for the PPDC meeting on 27 October 2016.



People, Performance and Development Committee
27 November, 2015

Reshaping Leadership Roles

Purpose of the report:

To note the review of the efficacy of the interim Deputy Chief Executive role and seek the Committee's endorsement of the Chief Executive's further proposals for reshaping Surrey County Council's senior leadership team.

Recommendations:

- a. To endorse the proposal to create a new permanent post of Deputy Chief Executive and Strategic Director of Children's Services.
- b. To convene a meeting of the People, Performance & Development Committee on a date to be agreed, which [will interview Julie Fisher for the role of Deputy Chief Executive to include the statutory Director of Children's Services].
- c. To note the reduction in posts, cost savings and redistribution of responsibilities which have streamlined senior management arrangements.
- d. To note that the outcomes of the Local Test of Assurance will be reported to this committee (see Paragraph 8 below)
- e. To approve the conversion of three senior roles into "roving" Heads of Service roles, in order to (a) the reduce the employment law risk due to the temporary nature of the current contractual arrangements for three senior officers, as set out in paragraph 27 and (b) strengthen the senior leadership succession & retention strategy for the Council.

Introduction:

1. The Chief Executive has continued to review the Council's arrangements for providing strategic leadership at the top of the organisation. Delivery of the Children's Improvement Plan is a priority and requires consistently exceptional strategic leadership together with partnership working focussed on improving children's wellbeing. Recent personnel changes have also presented an opportunity to further change and consolidate roles within the leadership team.
2. In October the Committee endorsed the proposal to create an Adult Social Care and Public Health Directorate. This report sets out further arrangements which

are intended to reduce the number of chief officer posts whilst ensuring continuity and effective arrangements at the top of the organisation.

Review of Deputy Chief Executive Role and Leadership of Children Schools and Families

3. On 26 June 2015 the Committee endorsed the Chief Executive's proposal to create a Deputy Chief Executive post, with responsibility for Children Schools and Families, subject to review in November 2015. The Committee agreed that Mrs Julie Fisher would take on that role in order to provide leadership during a challenging period, including the development and delivery of an action plan in response to the Ofsted report of November 2014.
4. In September 2015 the Council published its Improvement Plan for Children's Services, committing the Council to focusing relentlessly on strengthening the way it works so as to have the right capabilities and capacity to deliver sustainable services in the context of rising demands and financial pressures.
5. Both Ofsted and the Department for Education (DfE) have been working closely with the Council during this period and their feedback regarding Mrs Fisher's leadership of the improvement journey has been very positive.
6. Two specific issues had been identified as requiring action to enable Children's Services improvement, these were a lack of connection with the rest of the organisation and culture and mindset within the Directorate. As Deputy Chief Executive, Mrs Fisher has been able to bring into play her strong skills base and experience to ensure that appropriate organisational performance measures are in place and to develop a more open and collaborative culture, embedding Surrey's behaviours and values. The wider role of Deputy Chief Executive has facilitated more direct support for the required improvements to Children's Services across the whole organisation.
7. A confidential 360 exercise for the Interim Deputy Chief Executive is being carried out during November, the full outcome of which will be circulated separately to this report from the Director of People & Development, prior to the meeting on 27 November.
8. The DfE provides advice to local authorities who are proposing to combine the Director of Children's Services function with other officer responsibilities. The DfE guidance suggests a local test of assurance should be carried out so the Council can assure itself that the new arrangements meet the statutory guidelines effectively. The Director of Legal & Democratic Services will carry out this assurance exercise. The advice is that the assurance exercise is an active process i.e. checking out two or three times a year to see how robust the new arrangements are in practice. The Chief Executive is mindful that during this first year, the Deputy Chief Executive would not take on the full gamut of the DCX role and must concentrate on the statutory and improvement duties and responsibilities of the DCS role. The assurance exercise will align with the Ofsted process which will report every three months and the review process for the DfE which is every six months. It is proposed that the outcomes of the Local Test of Assurance be reported to this committee
9. It is also apparent that the Business Services Directorate (now within Orbis) has very effective leadership provided by its heads of service. This was highlighted in the "Shaping Leadership" exercise which was carried out across the senior leadership cohort in 2014/15. Shaping Leadership is a cohort-wide 360 degree assessment exercise based around six leadership criteria, aimed at identifying strengths and gaps in leadership, developing and supporting leaders, predicting

future capacity and skills needs and identifying up and coming future senior officer leaders.

10. A summary of the feedback about Julie Fisher's Business Service's team is as follows:
 - *"Resilient team in relation to other councils in the SE"*
 - *"Resilient; I think they are a good team"*
 - *"The team are all very, very good. There's pressure on them to be commercial"*.
 - *"Strong team. Lots of joint stuff and they use each other's complementary skills well"*
 - *"She has got a really, really good team. They are just the sort of people you want to work with"*
11. The team strength score was 2.85 out of 4 (this was the highest team score in the cohort). The SCC-wide score was 1.96.
12. John Stebbings, Chief Property Officer, has been undertaking the role of Interim Strategic Director of Business Services during this period. As a result of the changes set out in this report, there will no longer be a Strategic Director of Business Services post. The Interim Director will remain in post for Surrey, reporting to the Deputy Chief Executive. The Interim arrangement will stay in place until Orbis is ready to move to single leadership for the partnership.
13. The Chief Executive is therefore proposing to create a permanent role of Deputy Chief Executive and Strategic Director of Children's Services and to delete the role of Strategic Director of Business Services. There are other changes the Chief Executive has made to his senior team as set out below.

A Smaller Leadership team

14. As was reported to this Committee in October, with the departure of Mrs Susie Kemp, the Chief Executive has taken the opportunity to delete the post of Assistant Chief Executive. He has now redistributed her responsibilities to existing directors, as follows: Ann Charlton, Director of Legal and Democratic Services has assumed responsibility for Cultural Services. The Interim Deputy Chief Executive, Mrs Julie Fisher, has taken on responsibility for Policy, Performance and Communications. The Environment and Infrastructure Directorate has been expanded to include the Surrey Fire and Rescue Service and the Emergency Planning teams. Its Strategic Director, Trevor Pugh, will also take a lead in the development of improved place based work with Districts and Boroughs. The impact on pay and grading of the extra duties and responsibilities for the Director of Legal, Democratic Services & Culture, plus the Strategic Director of Environment & Infrastructure have been assessed and the business case for change is set out in the Pay Exceptions report for this Committee for decision by Members.
15. The new senior arrangements provide leadership that is streamlined and effective, with a continuity of personnel that supports delivery, avoids creation of silos and causes minimum disruption, whilst the organisation focuses on service delivery within the current challenging and financially constrained environment. The leadership model emerging is a distributed leadership model which has a strong deputy arrangement linked to a networked senior leadership. This model is more effective in larger, complex organisations and distributes the accountability for leadership to enable a large organisation to be more fleet of

foot and not get bogged down in unnecessary hierarchies which slow down decision making and change.

16. A distributed leadership perspective recognises that there are multiple managers in an organisation (Spillane et al., 2004) and that leadership activities are widely shared within and between organisations (Harris, 2007).
17. The new arrangements will mean the Chief Executive now has 6 line reports, these are as follows.
 - **Strategic Director (Adult Social Care & Public Health)**
 - **Strategic Director (Customers & Communities) (0.2 fte)**
 - **Strategic Director (Environment & Infrastructure)**
 - **Deputy Chief Executive & Strategic Director of Children, Schools & Families**
 - **Director of Legal, Democratic Services & Culture**
 - **Director of Finance**

A year ago, the Chief Executive had ten line reports.

Cost Savings

18. The costs of the senior team the Chief Executive inherited in 2009 amounted to **£1,012,177** (including Public Health for comparison purposes).
19. The cost of the new structure amounts to **£688,620**; a saving of **£323,557**.

Senior Retention and Succession Planning

19. The Chief Executive has been building a strategy aimed at shaping the next generation of senior officers. This has been via a voluntary exercise called Shaping Leaders which was carried out in 2014 amongst 36 senior officers at director and assistant director/head of service level.
20. As a result of that exercise, eight people (excluding Directors) were held across the cohort to be the key leaders and influencers.
21. This group of eight is now mentored by the Chief Executive and they are focusing on strategic leadership as part of their further development.
22. Three members of this group, Liz Mills, Rachel Crossley and Mark Irons have been moved temporarily out of their substantive roles and have been seconded into more stretching roles as part of their development as future leaders. High performing organisations deploy their best talent to their biggest challenges (Jim Collins "Good to Great"). The Chief Executive will also require each of these three officers to spend 12 months working directly to him in the role of Chief of Staff. This will provide these officers with first hand insight and exposure to working at the top of an organisation. It will also provide the Chief Executive with highly talented individuals who can take on a considerable "trouble-shooting" workload associated with the Chief Executive's role, enabling the Chief Executive to concentrate on Surrey's biggest strategic challenges.
23. This is for a number of reasons:
 - It helps talent develop the skills necessary for more senior roles to come.

- It helps to retain talented people who might otherwise seek promotion opportunities outside the Council.
 - It helps the organisation to respond quickly and flexibly to challenges where there is an immediate need for extra capacity and senior skills, by being able to deploy the right people to the right tasks on an interim basis.
24. It is important that the Council has a robust employment contractual framework to underpin this more dynamic resourcing approach. Currently, these three senior officers are in a contractually complex set of secondment arrangements and this needs regularising.
25. We have observed the model used by the senior Civil Service where talent is moved from department to department, as needed. Civil servants retain a core employment contract of employment, status, grade and job title regardless of where they are deployed.
26. In central government, the Human Resources team ensures smooth transition for the Civil Servant from assignment to assignment and ensures they help source their next assignment in good time. This model is proposed for the three roles carried out by Mark Irons, Liz Mills and Rachel Crossley.
27. The proposed job title would be Head of Service and the grade 15B. This would be at no extra cost to the Council as the substantive roles of all three are at grade 14B and the salary range is identical to 15B. This would, however, offer contractual robustness for the individuals and for the Council rather than the current situation which is not without its employment law risks. In addition, this would provide a cost-free shift into the senior leadership cohort for the three incumbents which is a retention strategy given these three individuals are part of the senior succession planning group.

Conclusions:

28. In conclusion, the new senior officer leadership arrangements represent a stronger, more streamlined and affordable model of leadership for the Council.

Financial and value for money implications

29. With a reduced number of directors there will be a reduction in the pay costs, even with the adjustments for additional responsibilities. These savings will form a part of the budget for the relevant cost centres.

Risk Management Implications

30. The Council's Leadership Risk Register has identified a risk that a significant number of senior leaders may leave the organisation within a short space of time and cannot be replaced effectively. The proposals contained in this report address that risk through effective succession planning and arrangements.
31. The Ofsted report sets out leadership as a significant factor in its "Inadequate" rating for Surrey. The proposals and changes set out in this report represent a significant strengthening of the senior leadership arrangements for Surrey.
32. The arrangement proposed for the three "roving Heads of Service" contracts, enables the Council to reduce the employment law risks involved in the current contractually complex set of secondment arrangements involving three senior members of staff.

Equalities and Diversity Implications

33. There are no identified risks to protected groups as a consequence of the action proposed in this report.

Next steps:

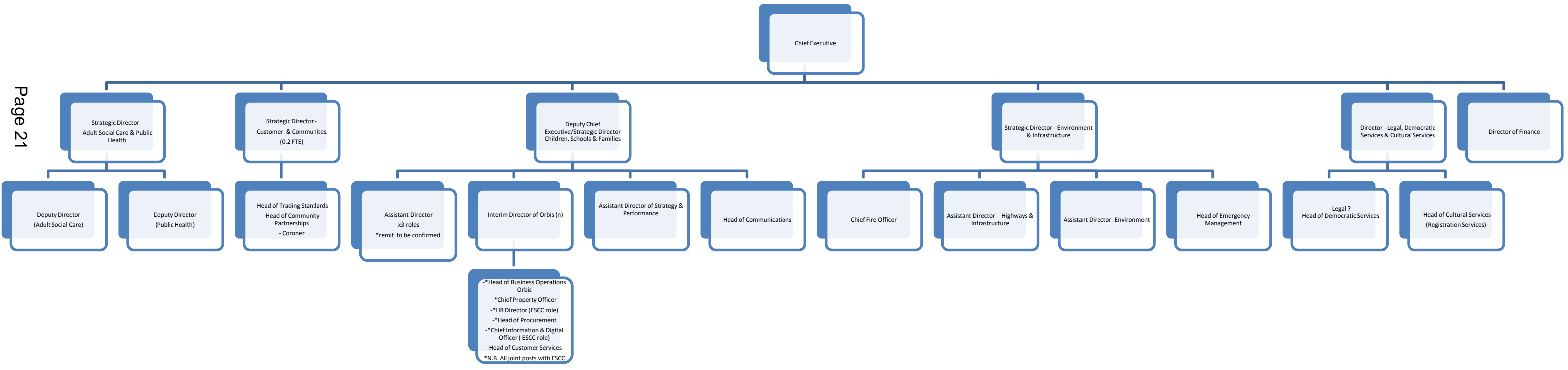
34. Suitable dates for the Committee to meet will be identified
-

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Sources/background papers:

None



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