



Committee: OVERVIEW AND SCRUTINY COMMITTEE

Date: TUESDAY, 15 MAY 2018

Venue: MORECAMBE TOWN HALL

Time: 6.00 P.M.

Councillors are reminded that as Members of overview and scrutiny they may not be subjected to the Party Whip, which is prohibited under the Lancaster City Council Constitution.

A G E N D A

- 1. Apologies for Absence**
- 2. Declarations of Interest**

To receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Members should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Members are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

- 3. Exclusion of Press and Public**

This is to give notice in accordance with Part 2, paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following item in private if it is necessary to refer to the exempt Appendix.

The Overview and Scrutiny Committee is recommended to pass the following recommendation in relation to the following item(s):-

"That, in accordance with Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item(s) of business, on the grounds that they could involve the possible disclosure of exempt information as defined in paragraph 1 & 2 of Schedule 12A of that Act."

Members are reminded that, whilst the following item(s) have been marked as exempt, it is for the Overview and Scrutiny Committee itself to decide whether or not to consider each of them in private or in public. In making the decision, Members should consider the relevant paragraph of Schedule 12A of the Local Government Act 1972, and also whether the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In considering their discretion Members should also be mindful of the advice of Council Officers.

4. Request to call in Cabinet Decision - Executive Team: Roles and Structure - Cabinet Minute 96 (Pages 1 - 18)

The Cabinet decision on Executive Team : Roles and Structure (Minute 96) taken by Cabinet on 24th April 2018 has been requested to be called in by Councillors Caroline Jackson and Nigel Goodrich (Overview and Scrutiny Members) and by Councillors Dave Brookes, Phillippa Williamson and Tim Hamilton-Cox.

This request was subsequently agreed by the Chief Executive. The decision has been called-in in accordance with Part 4 Section 5, Paragraph 16 of the Council's Constitution.

Councillor Eileen Blamire, Leader of the Council, has been invited to attend to outline the basis on which the decision was made.

Included in the agenda:

- Call-in Procedure
- Cabinet minute extract
- Call-in Notice
- Report to Cabinet and Appendix

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors June Ashworth (Chairman), Nigel Goodrich (Vice-Chairman), Alan Biddulph, Tracy Brown, Brett Cooper, Rob Devey, Charlie Edwards, Caroline Jackson and David Whitaker

(ii) Substitute Membership

Councillors Mel Guilding, Janet Hall, Tim Hamilton-Cox, Geoff Knight, Terrie Metcalfe, Abi Mills and Phillippa Williamson

(iii) Queries regarding this Agenda

Please contact Jenny Kay, Democratic Services - telephone (01524) 582065 or email jkay@lancaster.gov.uk.

(iv) Changes to Membership, substitutions or apologies

Please contact Democratic Support, telephone 582170, or alternatively email democraticsupport@lancaster.gov.uk.

SUSAN PARSONAGE,
CHIEF EXECUTIVE,
TOWN HALL,
DALTON SQUARE,
LANCASTER, LA1 1PJ

Published on 4th May, 2018.

EXTRACT FROM THE CONSTITUTION

**Part 4 – Rules of Procedure,
Section 5 – Overview and Scrutiny Procedure rules,
Sub-section 18 – Call-in Procedure.**

Call-in Procedure

In considering a Call-in decision the following procedure will be followed:

- The Councillors who have made the Call-in request (who shall be seated together) will outline the reasons for the Call-in;
- The relevant decision-maker(s), with support from the appropriate officer(s) (who shall be seated together), will outline the reasons for their decision and the issues that they took into account;
- Councillors who are signatories to the Call-in request will have the opportunity to question the decision-maker;
- Other Members of the Overview and Scrutiny Committee will have the opportunity to question the decision-maker;
- At the discretion of the Chairman, other Members present may have the opportunity to question the decision-maker;
- Before forming a decision, the Chairman may decide to adjourn the meeting in order to allow the Call-in signatories to reflect on the evidence received and to consider any recommendations they wish the Committee to consider.
- The meeting then moves to forming a decision in accordance with the Council Procedure Rules.

Minute 96 Cabinet 24th April 2018

(Cabinet Member with Special Responsibility Councillor Blamire)

Cabinet received a report from the Chief Executive to consider a revised structure for the Executive Team and give approval for the Chief Executive to commence formal consultation. The Chief Executive explained the rationale for the proposed restructure was to ensure that the right senior management and corporate structure was in place to progress the City Council's ambitious plans.

Details of the proposed restructure were set out in an appendix, which was exempt from publication by virtue of paragraphs 1 and 2 of Schedule 12a of the Local Government Act 1972. At this point it became necessary to refer to the exempt Appendix and it was moved by Councillor Clifford, seconded by Councillor Pattison and resolved unanimously:

Resolved unanimously:

That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraphs 1 and 2 of Schedule 12A of that Act.

The press and public were excluded from the meeting at this point.

Cabinet asked a number of questions to which the Chief Executive responded.

Councillor Clifford proposed, seconded by Councillor Warriner:-

"That the recommendations, as set out in the report, be approved."

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet agree to proceed with a consultation with Chief Officers and other parties for changes to the senior management structure.
- (2) That Personnel Committee be invited to consider the approaches in relation to recruitment and appointments to the proposed new structure.
- (3) That it be noted that a report will be presented to Cabinet following conclusion of the consultation.

Officers responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

A need to restructure the senior team was identified in August 2015 by the previous Chief Executive but rejected at the time as Cabinet felt the new Chief Executive should consider and agree any structural changes. The Council has developed highly ambitious plans in its draft Council Plan for enhancing the economy, environment, neighbourhoods and communities' wellbeing. The decision will enable a consultation to be undertaken to allow for a structure to be put in place to progress the City Council's ambitious agenda moving forward.

REQUEST FOR CALL-IN

This form is to be used when calling in a decision taken by the Cabinet, an Individual Member of the Cabinet or a committee of the Cabinet, or a key decision made by an officer with delegated authority from the Cabinet, or under joint arrangements. The full procedure is set out in paragraph 16, Part 4, Section 5 of the Constitution and page 7 of the Handbook.

ITEM TO BE CALLED IN: Executive team: roles and structure	
DATE DECISION TAKEN: 24-04-2018	
DECISION TAKEN BY:	Tick
Cabinet	x
Individual Member of Cabinet (please state)	
Councillor	
Committee of Cabinet (please state)	
Key Decision by Officer with delegated authority (please state)	
Joint Arrangements (please state)	
REASONS FOR CALL-IN: (please indicate your reasons below)	Tick
(a) Proportionality (i.e. the decision is not proportionate to the desired outcome).	
(b) Lack of, or insufficient consultation and the taking of professional advice from Officers.	x
(c) Lack of, or insufficient respect for human rights.	
(d) Lack of openness.	
(e) The aims and desired outcomes of the decision are not clearly expressed.	
(f) Insufficient information about the options that were considered or the reasons for arriving at the decision.	x
(g) Other (please give your reason(s) in full below).	x

REASONS AND (IF APPROPRIATE) PROPOSED ALTERNATIVE COURSE OF ACTION:

Three grounds for the call-in are:

1) Insufficient information about the options that were considered or the reasons for arriving at the decision: there were no alternative options presented and, of at least of equal importance, there was no risk analysis of the officer recommendation. As Ms Muschamp stated at the cabinet meeting: "...if Cabinet proposes a restructure for consultation, then I believe that it must have confidence in the robustness of those proposals, given the potential ramifications for the district and individuals." The required level of confidence has not been demonstrated.

2) Lack of comment from deputy S.151 officer on the report.

3) Restructure requires unbudgeted expenditure (which itself is understated, as the deputy S.151 officer confirms in the report to personnel committee of 30th April). This unbudgeted spending should properly be approved by full council as it was not included in the budget framework. The assumptions on costs and savings presented to cabinet have not yet had the intensive scrutiny needed for the projected savings required in future financial years to be justified and credible.

It is disingenuous to claim that no decision has been taken beyond a decision to consult when (a) there are no other options upon which consultation is being sought for the form of the restructure; and (b) the outcome of the consultation is assumed to have no impact on the nature of the restructure.

Proposed alternative course of action:

a) That Cabinet advises all members of the benefits of a proposed employee restructuring of Lancaster City Council and consults with them on the need for restructure and the options available.

b) Cabinet requires HR staff to prepare and provide those staff involved at least two further options for a restructured Lancaster City Council to consult on.

c) That Cabinet requires the advantages and disadvantages of any proposed staffing and management restructuring for Lancaster City Council to be clearly set out in in terms of staffing and management.

d) That Cabinet requires all options for a restructured staffing and management organisation for Lancaster City Council to be fully costed and this information and the financial out-turn of all options to be provided.

e) That Cabinet requires the costings and financial out-turn of all proposed staffing and management restructuring options for Lancaster City Council be compared with the staffing and management arrangements in the current organisational structure for Lancaster City Council.

f) That Cabinet requires the estimated costings in respect of potential redundancies and redeployment of staff as a result of all the proposed staffing and management restructure options to be outlined.

g) That Cabinet requires all options for any staffing and management restructuring for Lancaster City Council to be considered in relation to the budget framework and Medium Term Financial Strategy.

SIGNED:	Members of Overview & Scrutiny Committee		
	Cllr Caroline Jackson		Cllr Nigel Goodrich
	Three Further Councillors		
	Cllr Phillippa Williamson	Cllr Dave Brookes	Cllr Tim Hamilton-Cox

(Note: A valid request for call in must be signed by a total of 5 Members of the Council, including 2 or more Members of the Overview & Scrutiny Committee, and all 5 Councillors must not be from the same political group.)

DATE: 02.05.2018

This request for call in must be submitted to the Chief Executive (by post, fax or e-mail) within 5 working days of the date of publication of the decision.

CABINET

Executive Team: Roles and Structure 24 April 2018

Report of the Chief Executive

PURPOSE OF REPORT				
To enable Cabinet to consider a revised structure for the Executive Team, and give approval for the Chief Executive to commence formal consultation.				
Key Decision	X	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision		25 March 2018		
This report is public. Appendix 1 to this report exempt from publication by virtue of paragraphs 1 and 2 of Schedule 12a of the Local Government Act 1972				

OFFICER RECOMMENDATION

- (1) That Cabinet agree to proceed with a consultation with Chief Officers and other parties for changes to the senior management structure.
- (2) That Cabinet invite Personnel Committee to consider the approaches in relation to recruitment and appointments to the proposed new structure.
- (3) To note that a report will be presented to Cabinet following conclusion of consultation

1.0 Background

The Council has developed highly ambitious plans in its draft Council Plan for enhancing the economy, environment and neighbourhoods and communities' wellbeing. This is underpinned by collaboration, facilitation and place-shaping. It has set out its priorities and vision for the district to thrive as a vibrant regional centre in the north west of England in its draft plan. One of the Council's four Ambitions for 2018-22, is to be a Smart and Forward-Thinking Council. The Council has also identified four principles which describe the approach it aims to take through its work; of particular relevance here is the stated principle of taking a "business-like approach".

There are a number of initiatives currently underway which will contribute heavily to the future ambitions of the Council, such as the development of a commercial agenda, the delivery of major regeneration initiatives, the investigation of local authority trading companies and the pursuit of a much enhanced digital agenda. In addition the Council needs to consider, at the same time, more radical plans which enable:

- A focus on the district as a place for investment
- The delivery of excellent services in the most efficient way

- The highest level of customer satisfaction, and
- Strengthening leadership at a senior level

- 1.1 The starting point for this work is to consider the future structure of the senior team.
- 1.2 Prior to finalising this report, consultation has taken place on its content with the LGA, North West Employers and SOLACE.

2.0 Senior Team Restructure

A need to restructure the senior team was identified in August 2015 by the previous Chief Executive. The proposal was rejected at the time as Cabinet felt the new Chief Executive (due to take up the post in July 2016) should consider and agree any structural changes.

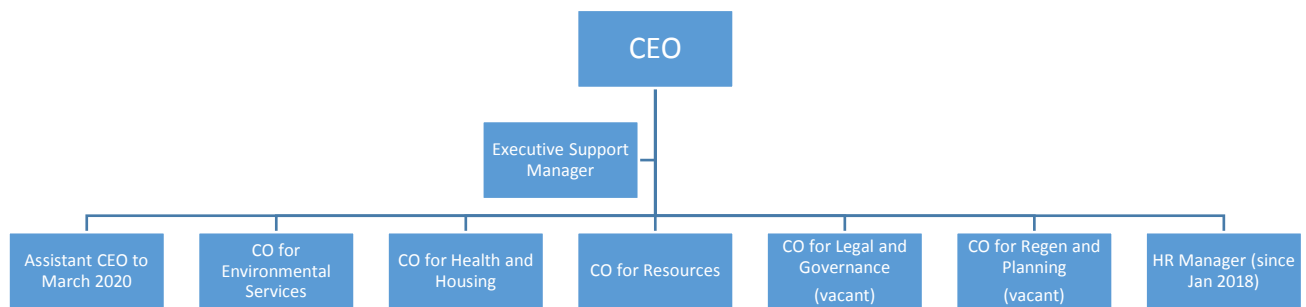
Since the current Chief Executive took up the role, the Council has reviewed its priorities and is now ready to start to work towards agreeing a new structure to effectively deliver on those priorities. The key aims of this proposed plan to restructure are to:

- Introduce a new structure with clearly defined senior roles which enable a strengthening of strategic focus on service provision and delivery, growth and sustainability
- Ensure the right skills are in place for each permanent role at Executive Team level to help shape and successfully drive forward the challenging agenda for the Council
- Bring together a cohesive and supportive team to deliver change

Additional to the potential benefits of a redefined structure is the opportunity this project gives the Council in relation to terms and conditions for senior staff, to create a remuneration structure for the senior team which enables the Council to retain and attract the highest possible standards of talent at this level. A separate exercise has been carried out to benchmark remuneration structures, and this will be reported to Personnel Committee for consideration.

The initial proposal for a new Executive Team Structure is based on what is considered to be appropriate for the Council both now, and for the coming years. Where previous restructures have been in response to an identified need to reduce spend on staffing, this proposal is about the structure the Council needs to put in place to progress an ambitious agenda moving forward. Additionally, this proposal will bring savings to the Council in the longer term should it be implemented.

The Council's existing Structure, at a senior level, is as follows:



Outlined in Appendix 1 is the proposed new structure, together with the rationale and the proposed plan for consultation and implementation.

Appendix 1 is classed as exempt from publication by virtue of paragraphs 1 and 2 of Schedule 12a of the Local Government Act 1972

3. Costs

Council approved in February 2018 a medium term financial strategy which outlines a saving requirement of £2.403M by 2021/22. The implementation of the Council's senior management reorganisation is to ensure capacity at a strategic level to enable the delivery of the savings required, and to maintain a balanced budget whilst delivering effective or improved services.

Specific costs relating to this proposal are outlined in the Appendix.

RELATIONSHIP TO POLICY FRAMEWORK The strategic rationale is set out in the body of this report.
CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing) No direct impact at this stage.
LEGAL IMPLICATIONS Consultation is a requirement for the proposed restructure, which must be meaningful and proportionate as set out in the Appendix.
FINANCIAL IMPLICATIONS The financial implication are set out in the appendix to this report.
OTHER RESOURCE IMPLICATIONS Human Resources: This report has been prepared with HR advice and includes information about HR implications. Information Services: Not applicable Property:

It may be necessary to review accommodation as a result of the proposed staffing changes.

Open Spaces:

Not applicable

SECTION 151 OFFICER'S COMMENTS

Section 151 Officer approval has not been provided due to conflict of interest, and as this is a fiduciary duty, it is not possible for external sign-off as Section 151 Officer. However, technical financial advice has been sought and provided externally by the Local Government Association, to provide challenge and comment on the development and content of the final report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted on this report and has no further comment.

Due to the potential conflict of interest for the Council's Section 151 Officer, I am satisfied that the use of specialist financial advice from the LGA is a reasonable and proportionate safeguard.

BACKGROUND PAPERS

Contact Officer: Dave Rigby

Telephone: 01524 582180

E-mail: darigby@lancaster.gov.uk

Document is Restricted