

Ensuring sufficient staffing capacity during 2022/23

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Purpose of the Report

1. To propose increases to the staffing budget for 2022/23, the creation of a contingency in the LGR reserve for funding extra capacity if required, and changes to the Senior Leadership Team (SLT).

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated date of February 2022.

Public Interest

3. This report sets out proposals from the Head of Paid Service (the Chief Executive) and the Chief Finance Officer (in terms of budget and funding requirements) to ensure the Council has sufficient officer capacity to deliver the following during 2022/23:
 - Essential on-going services to our residents
 - Service improvements
 - The Corporate Plan and the Action Plan priorities agreed by Members
 - SDDC's responsibilities in the Local Government Reorganisation Programme
4. These proposals, if agreed, will influence the figures included in SDDC's Budget Report (which is also on this agenda). For the benefit of doubt, the Budget Report at this stage assumes that these proposals will be agreed and therefore the increases shown in this report have been included in the overall budget proposals.

Recommendations

5. That District Executive recommends to Full Council to:
 - a. Approve the requests to increase the staffing budget by £2,465,810 as set out in paragraph 11 and Appendix One.
 - b. Approve the increase in the LGR Reserve of £1m as set out in paragraphs 12 to 14, and its funding from the MTFP Support Fund reserve.
 - c. Delete the post of Director of Commercial Services and Income Generation from the staffing establishment budget as proposed in paragraphs 15 to 19.
 - d. Approve further changes to the Senior Leadership Team (SLT) as set out in paragraphs 19 and 20.
 - e. Note the line management arrangements for SLT for 2022/23 as set out in Appendix Two.



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- f. Note the Portfolio Holder responsibilities and associated SLT leads for 2022/23 as set out in Appendix Three.
- g. Authorise the Monitoring Officer to make such changes to the Constitution as are necessary to reflect their decision.

Background

6. South Somerset District Council (SSDC) has one last year of operation before the new Somerset Council comes into being on 1st April 2023.
7. 2022/23 is going to be a challenging and pressurised year for officers who will have to deliver:
 - Essential on-going services to our residents
 - Service improvements
 - The Corporate Plan and the Action Plan priorities agreed by Members; as well as
 - SSDC's responsibilities in the Local Government Reorganisation Programme.
8. There are potential risks that some officers could seek alternative employment prior to the new council being established which could put additional pressure on staff over the forthcoming year. Hiring additional people to fill the vacant posts will cost more than the salaries base budget as we will need to hire interims and fixed term posts.
9. In addition the organisation already has some planned tasks behind schedule due to staff being reallocated to Covid Response work tasks over the last two years.
10. This report sets out proposals to ensure that we have the staffing capacity, the financing, and the appropriate senior level structure to deliver the outcomes required during 2022/23.

Proposals to increase the employee's budget in 2022/23

11. Appendix A gives details of the proposals. The increase in the 2022/23 budget is £2,465,810. Of this amount, £1,026,210 (42%) are one year only increases and do not therefore have any on-going implications for the new Somerset Council. £1,439,600 are on-going proposed increases to SSDC's employees budget and largely relate to service delivery to our residents particular in the Building Control, Development Management and Revenues & Benefits services.

Proposals to increase the LGR reserve in 2022/23

12. Whilst any known capacity needs are proposed to be put into the relevant services' revenue budgets up-front (if agreed by Full Council), there are many potential unknowables for 2022/23. As stated above, officers may leave given the uncertainty of the LGR situation, and take up employment elsewhere. It may become necessary to take on extra capacity to deliver the capital programme, the corporate plan priorities, as well as SSDC's support to the LGR programme.



13. The Chief Finance Officer therefore proposes that £1m is added to the LGR reserve to provide a contingency fund to mitigate against these potential risks. This is proposed to be funded from the MTFP Support reserve. The consequences of this on the overall reserves position of the Council is shown in the 2022/23 Budget Report on this agenda.
14. The Senior Responsible Officer for the LGR reserve is the Chief Executive. Any proposals for using this reserve would be reviewed by Senior Leadership Team before decisions to allocate funds from the reserve were made under officer delegation. Any allocations made would be reported to District Executive in the quarterly revenue budget monitoring reports.

Proposals to change the Senior Leadership Team in 2022/23

15. From 1st June 2021 the Director of Commercial Services and Income Generation was absent from work until her departure from the council on 21st October 2021.
16. Since 1st June, other members of the Senior Leadership Team (SLT) have collectively taken up her duties and this has continued to date.
17. On 16th August 2021 the new Chief Executive took up her post and following the departure of the Director of Commercial Services and Income Generation from the council, reviewed SLT arrangements as they relate to the duties of the former Director to assess their robustness and sustainability for the new financial year.
18. The need to fill this post has also been considered in the light of Local Government Reorganisation (LGR) which means the current staff will transfer into the new Somerset Council on 1st April 2023. The organisational design for the new council has yet to be agreed.
19. The Chief Executive has concluded that the current arrangements are robust and sustainable for the financial year 2022/2023 and recommends that the post of Director of Commercial Services and Income Generation be deleted.
20. In order to reflect best practice governance arrangements, for example those proposed by CIPFA in their guidance note entitled "*Role of the Chief Finance Officer in Local Government*", the Chief Executive has also concluded that the two statutory officer posts (the Section 151 Officer and the Monitoring Officer) should report directly into herself and have the same seniority in the organisation as her other direct reports.
21. The definition of SLT in rule 1 of the Council's Human Resources Management Rules does not reflect the Council's SLT membership and will need to be amended to bring it up to date.
22. In light of Local Government Reorganisation all members of SLT have taken up additional leadership roles in the programme. This has reduced their capacity to deliver their normal duties to the council. Therefore in order to ensure there is officer capacity to deliver SSDC's services and priorities at the most senior officer level the following has been undertaken/proposed:



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- a. Peter Paddon has been appointed as Acting Director of Place and Recovery. Jan Gamon, Director of Place and Recovery, is now working for approximately 80% of her time on the LGR programme, so Peter is now leading on much of the business as usual across the Directorate and reports into Jan.
- b. Sharon Jones has been appointed Assistant Director of Service Delivery to assist Kirsty Larkins, Director of Service Delivery, who now is working for approximately 50% of her time on the LGR programme.
- c. James Divall has been appointed Assistant Director of Strategy and Support Services to assist Nicola Hix, Director of Strategy and Support Services, who is now working for approximately 50% of her time on the LGR programme.
- d. The growth proposals include the appointment of a Deputy Statutory Monitoring Officer to support the delivery of the LGR programme and assist Jill Byron, District Solicitor and Monitoring Officer, who currently spends approximately 50% of her time on the LGR programme.
- e. The growth proposals also include the appointment of 1.4 FTE (Full Time Equivalent) interim finance specialists to support the delivery of the LGR programme. 1.0 FTE is likely to be needed to move SSDC's financial data into a combined financial system and to align service budgets to a common classification across the five councils. Karen Watling, the Chief Finance Officer, currently spends approximately 20% of her time on the LGR programme but estimates this will increase to 60% once the 2022/23 budget has been agreed, and to approximately 80% when the budget setting process for the new Somerset Council commences later on this calendar year.

Financial Implications

23. These proposals, if agreed, would increase the employees budget by £2.466m in 2022/23 and would have an on-going impact on Somerset Council's 2023/24 revenue budget of £1.440m (excluding the 2023/24 Pay Award).
24. The proposed increase of £1m to the LGR Reserve would require an equivalent transfer from the Medium Term Support Fund Reserve.
25. The implications of these proposals on the overall revenue budget and reserves position are set out in the 2022/23 Budget Report which is a separate report on District Executive's agenda. It has been assumed in the latter report that these proposals will be agreed.

Legal implications (if any) and details of Statutory Powers

26. Under Article 12 of the Constitution, the Chief Executive, as Head of Paid Service is responsible for determining the overall departmental structure of the Council and

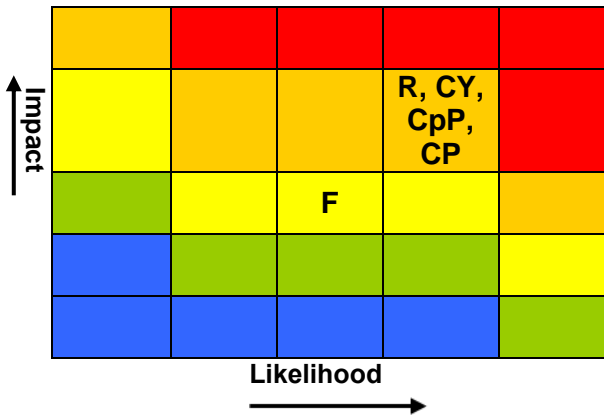


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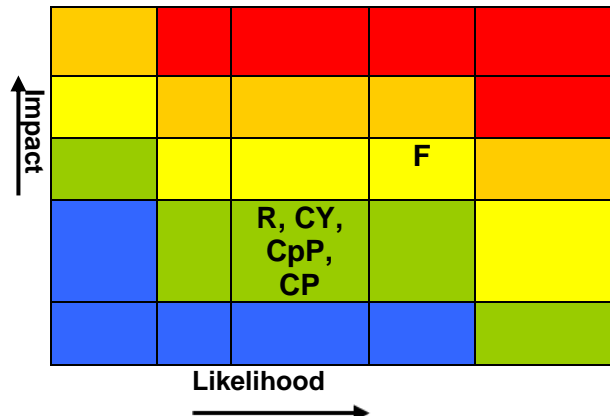
reporting to Council on how many officers are required to discharge the Council's functions. The Human Resources Management Rules set out in Part 4 of the Constitution require revisions to the Senior Management Structure to be approved by full Council.

Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R - Reputation	High impact and high probability
CpP - Corporate Plan Priorities	Major impact and major probability
CP - Community Priorities	Moderate impact and moderate probability
CY - Capacity	Minor impact and minor probability
F - Financial	Insignificant impact and insignificant probability

Council Plan Implications

The proposals are being made in order give officer capacity to deliver the Corporate Plan Action priorities.

Carbon Emissions and Climate Change Implications

There are no direct implications arising from agreeing this report.

Equality and Diversity Implications

There are no equality and diversity implications arising from this report. The proposal is to increase the staffing budget to ensure sufficient staffing capacity. This will not impact negatively on current staff sharing Protected Characteristics. However there is the potential to deliver positive impacts by enhancing the staffing capacity within specific service areas. There will be no negative impacts in respect of any new recruitment that takes place

Privacy Impact Assessment

There are no privacy impacts arising from this report.

Background Papers

2022/23 Budget Report: District Executive 17th February 2022

Appendices

- One. Proposals to increase the employee's budget
- Two: Line Management Arrangements 2022/2023
- Three: Portfolio Holder responsibilities and associated Senior Leadership Team leads 2022/2023