
Subject: FLEXIBLE RETIREMENT OF A CHIEF OFFICER

Meeting and Date: COUNCIL – 7 MARCH 2018

Report of: NADEEM AZIZ, HEAD OF PAID SERVICE

Classification: UNRESTRICTED

Purpose of the report: This report seeks approval of minor changes to the Chief Officer (CMT) structure and the flexible retirement of a Chief Officer

Recommendation:

1. Council approves the reduction of the Corporate Management Team from 4 FTE to 3.68 FTE
2. Council approves the flexible retirement request of the Director of Governance with effect from 1 April 2018, pursuant to the Local Government Pension Scheme Regulations 2013, Reg. 30(6) and in accordance with the Council's Pension Discretion Policy Statement

1. Summary

1.1 Following a request for flexible retirement from the Director of Governance, this report seeks approval to reduce the Council's Corporate Management Team (CMT) from 4 FTE to 3.68 FTE. The Council is further asked to approve the flexible retirement request of the Director of Governance (a Chief Officer). This is pursuant to the Local Government Pension Scheme Regulations 2013, reg. 30(6) and in accordance with the Council's Pension Discretion Policy Statement. This request will result in no detrimental effect on the overall service delivery and will achieve a small budget saving.

1.2 Article 12 of the Constitution, identifies the Council's Chief Officers. Section 4 of Local Government and Housing Act 1989, (which defines the functions of the Head of Paid Service) is reflected in the Council's Constitution at Article 12.02. This requires the Head of Paid Service to report to the full Council on the number and grade of staff required by the authority to discharge the Council's functions.

1.3 In addition, the Council should note that the Director of Governance is designated as the Monitoring Officer. This is a statutory role with functions as described in Article 12.03 of the Council's Constitution and section 5 Local Government and Housing Act 1989.

2. Introduction and Background

2.1 The Council's Corporate Management Team is currently made up of 4 FTE. The proposed changes would see a reduction in the CMT from 4 FTE to 3.68 FTE, with the Director of Governance undertaking his role on the basis of 25 hours per week. It is proposed that these hours are split over 4 days.

The Concept of Flexible Retirement

2.2 The concept of flexible retirement was introduced into the LGPS 2006. The intention was to facilitate employers in retaining the skills of an existing employee (albeit that might be on a reduced hours basis) whilst upskilling other employees to build greater resilience. The LGPS rules permit flexible retirement where the scheme member,

(with their employer's consent) reduce their hours of employment of the job they continue to hold, and/or move to a lower graded post.

3. Flexible Retirement Request of the Director of Governance

3.1 As outlined above, the Council is asked to approve the flexible retirement of the Director of Governance (a Chief Officer), pursuant to the Local Government Pension Scheme Regulations 2013, reg. 30(6). This request is in accordance with the Council Pension Discretion Policy Statement, which sets out criteria to be taken into account when considering the request. The Policy Statement require that the Council will only approve requests where:

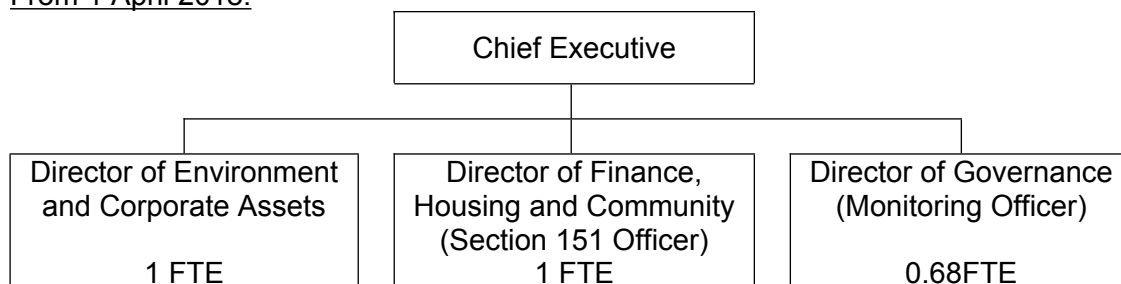
- It is in their interests to do so
- There will be no detrimental effect on the service
- The costs are affordable or where there are likely to be costs savings achieved as a result of the proposal (see resources section below).

3.2 The Pension Discretion Statement also states that the request should typically involve a reduction of at least 20% in salary (either through reduced hours or responsibility). Employees can choose to draw all of their pension benefits or defer payment of all or part of the part of their fund which has accrued since 1 April 2008.

3.3 In this case the Director of Governance wishes work 25 hours per week, split over 4 days. This will result in a 32% reduction in salary. The Director has requested only to draw his pre-2008 benefits and defer all of the benefits accrued since 1 April 2008. The cost the Council associated with this are detailed below at paragraph 6.

3.4 The request for flexible retirement will result in a small reduction in Corporate Management Team capacity as detailed below:

From 1 April 2018:



= 3.68 FTE

3.5 Owing to a number of changes to team structures within the Governance directorate over the last few years, it is considered that the grant of the request for flexible retirement will not have any detrimental effect on service delivery. In 2015, a restructure of the Legal Services team saw the introduction of a Head of Legal Services role. The addition of this role provides additional support for the Director of Governance, not only as a manager of the legal services team but also insofar as the addition of the role has enabled the Solicitor to the Council to relinquish direct line management responsibility for the day to day running of the service, which in turn has enabled him to provide dedicated support on corporate projects and strategic matters (see also paragraph 3.9 below).

- 3.6 In October 2017, the Electoral Services team was moved from the Democratic Services Section of the Governance directorate to the Office of the Chief Executive, thus resulting in a reduction in those staff reporting directly to the Director of Governance. This structure was considered more appropriate given the role of the Chief Executive as the Electoral Registration Officer and Returning Officer. This restructure also saw the introduction of a Democratic Services Manager post which strengthens that team.
- 3.7 In addition, due to the impending retirement of the Head of Corporate Services in April 2018, a restructure of Corporate Services will see the Corporate Services Team moving to be managed by the Head of Leadership Support (in the office of the Chief Executive). The Digital Services Team who are currently managed by the Head of Corporate Services (in the Governance Directorate) will move under the management of the Head of Community Services in the Finance, Housing and Community directorate. Some of the project based work currently undertaken by the Head of Corporate Services will be transferred to a new post – the Corporate Projects Manager, which will report to the Head of Finance (in the Finance, Housing and Community directorate).

Monitoring Officer Role

- 3.8 As stated above, the Director of Governance is designated as the Council's Monitoring Officer. The Council is legally required to designate an officer as the monitoring officer by section 5 of the Local Government & Housing Act 1989. There is no legal requirement for the Monitoring Officer to be employed on a full time basis.
- 3.9 The law allows the Monitoring Officer to nominate a deputy. The nominated deputy monitoring officer is the Solicitor to the Council who has held that nomination for a considerable number of years both under the current Monitoring Officer and his predecessor. The creation of the Head of Legal Services role in 2015 strengthened the Council's legal & governance provision, which enabled the Solicitor to the Council to have a fuller involvement in Monitoring Officer matters. The Solicitor to the Council is a strong deputy, has regular involvement in Monitoring Officer matters and as such, Council can have confidence that any matters to be dealt with during times when the Director is not available will be dealt with properly and promptly.

4. Identification of Options

- 4.1 The proposed flexible retirement of the Director of Governance can be seen as beneficial, allowing the Council to retain the skills of a highly skilled and valued employee (albeit on a reduced hours basis) whilst building up the skills and experience of others within the Council. It is also recognised that a benefit for the Director is a work/life balance which is better suited to his personal and family circumstances. The Director has indicated informally that he will look to fully retire in 2019.
- 4.2 In view of the recent restructures detailed above, it is not considered that there will be any further need for the redistribution of functions and responsibilities across the other Directors at this time. Any changes proposed following the full retirement of the Director of Governance will be reported to the Council for approval as and when necessary.
- 4.3 As Head of Paid Service I am recommending the small reduction in the Corporate Management Team following the request for flexible retirement from a Chief Officer. Council is requested to approve the request in line with the Council's Pension Discretion Statement.

4.4 Therefore the options for the Council are:

- (a) To approve the reduction of the Corporate Management Team from 4 FTE to 3.68 FTE and to approve the flexible retirement request made by the Director of Governance. This is the preferred option.
- (b) To refuse the request for flexible retirement made by the Director of Governance. This is not the preferred option.

4.4 Revised organisational charts are attached at Appendix 1

5. Evaluation of Options

5.1 As detailed above, the proposed flexible retirement of the Director of Governance will not result in any detrimental effect on service delivery. Over a three year period the proposal will result in a saving of approximately £75k and would therefore fall within the “affordable” range as stated in the Council’s Pension Discretion statement. Furthermore, the flexible retirement of the Director allows the Council to retain the skills of the Director whilst upskilling other Council staff and therefore making provision for succession planning for the future.

5.2 It is my view as Head of Paid Service that the flexible retirement request is therefore in accordance with the Council Pension Discretion Statement and should be granted. Council would need to provide full reasons for any departure from the policy statement.

6. Resource Implications

6.1 The actuarial strain cost to the Council of enabling the flexible retirement request is forecast to be £42k (as provided by the Kent pension scheme). The reduction in hours will result in an annual saving (including on-costs, car allowances, etc.) of £39k. The proposal will therefore result in a saving to the Council from the 2019/20 financial year.

7. Corporate Implications

7.1 Comment from the Director of Finance (linked to the MTFP): Finance have been consulted on this report and have no further comments to add. (HL)

7.2 Comment from the Solicitor to the Council: The Head of Legal Services has been involved in the preparation of this report and has no further comment to make.

7.3 Comment from the Equalities Officer: This report does not specifically highlight any equalities implications, however in discharging their responsibilities members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>

8. Appendices

Appendix 1: Pension Discretions Policy Statement

9. Background Papers

Constitution of this Council – Article 12 and Officer Employment Procedure Rules

Local Government and Housing Act 1989

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