

### **Paper for ESG 14th September 2020**

### **Tricuro Executive Director remuneration**

### **Presented by Colin Dennis, Tricuro Independent Chair**

#### **Summary**

The Covid emergency, recent safeguarding issues, the transformation agenda and the challenges potentially ahead through the winter, demonstrate how vital it is for Tricuro to be led by a highly skilled and sector experienced, team at the MD, Executive Director and Director levels directly below the Board.

The implementation of the forward-looking strategy (also presented to the ESG for approval) will need to be led by the executives and one of the important first tasks will be to ensure that the leadership team has the necessary skills and experience.

Currently two key posts are occupied by interim appointments (Managing Director and Operations Director) and both will need to be filled by permanent appointments as soon as possible.

Delivering the modernisation and transformation strategy will require a permanent MD to be recruited with a wide range of experience across adult social care (Residential, day services, reablement etc) both in local authority and commercial environments.

The maximum salary that Tricuro can offer is currently limited (as a reserved matter) to that of the outgoing MD and currently is set at £100,000 plus cost of living increases.

It seems from recent recruitment activity at the Operations Director level and looking externally at the market, that salary levels for the MD level have risen above the £100,000 bench mark and competition for qualified and experienced individuals is increasing.

It seems likely therefore, that attempting to recruit a suitably qualified and experienced permanent MD would be unsuccessful if Tricuro remains limited to that level of remuneration.

#### **Proposals for approval**

The paragraph within the Shareholder agreement that references the ESG involvement in Tricuro remuneration is shown below:

6.2.7 agreeing to remunerate (by payment of fees, the provision of benefits-in-kind or otherwise) any employee of, or consultant to, the Company at a rate in excess of an annual rate set by the Executive Shareholder Group or increasing the remuneration of any such person to a rate in excess of an annual rate set by the Executive Shareholder Group;

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External advice (copied in appendix 1) confirms salary levels in some recent similar appointments and recommends that we should be prepared to consider offering remuneration up to £120,000 for the best candidates.

As this is an ESG reserved matter this brief paper is making a recommendation that the ESG approve a revised maximum salary for the Tricuro MD of £120,000 pa.

Given the governance arrangements in the two stakeholder councils it may be necessary for further consent to be given by stakeholder councils, but as a first step the consent of the ESG is requested.

It is further recognised that any salary levels agreed need to sit comfortably within the Council remuneration levels and the request needs to be supported by both Council DAS's and their respective HR Leads.

This paper is therefore being circulated to the appropriate HR leads in both stakeholder councils for preliminary discussion.

End.

**Appendix 1 – RESTRICTED – attached separately.**

**Appendix 2 – BCP Council Comparator attached.**

**Appendix 2 – Dorset Council Comparator attached.**

## **Appendix 2 – BCP Council Comparator**

### **Summary and Recommendation**

In order to support the recommendation in the paper BCP Council has provided the following information by way of a comparator that uses data from a similar organisation with equitable roles to assure the decision. BCP Council underwent a review of its current Corporate Directors (Tier 2) and Service Directors (Tier 3) prior to inception on 1 April 2019. These roles were profiled and benchmarked with support from the Hay Group. The salary ranges were based on generic competency and role profiles that capture the overall size of the role regarding accountability and responsibility. Following a review of the role it is understood that the size of the role of Managing Director (MD) for Tricuro is somewhat equitable to that of a Service Director within BCP Council. The role is responsible for delivering a specific set of services and capabilities equal to that of a Service Director and does not have the broad portfolio of responsibilities of our Corporate Director roles. However, due to the structure of Tricuro as an independent and commercial organisation, the MD takes ultimate responsibility for the success of the business, as well as compliant service delivery to the required standards. Therefore, BCP Council believe that the role is broadly comparable to a Service Director. BCP Council would recommend that the salaries are broadly equitable with potentially an increased premium in the range for the Tricuro MD role due to the stand-alone nature.

The competency framework for BCP Council's Tier 3 Service Directors is below for reference and the salary range that is currently in use is £86K to £107K. The level of complexity, budget and breadth of responsibility of Tier 3 Service Directors within BCP Council is equal and, for some, greater than that of the Tricuro MD role but as stated previously, due to the stand alone nature of the role and ultimate accountability that the role has, it is justified and recommended that the upper salary cap be moved to £115K. This would set the cap higher than the top range for BCP Council Service Directors which would reflect the size of the role and complexity of services delivered and would allow for the selection of a candidate that has the necessary skills, experience and competence for the role. Recruitment strategy should be determined prior to start of the search with a range of £100k up to £115k, elements of performance related pay could also be used to ensure the successful completion of objectives.

## **Generic Role Accountabilities: Leadership Tier 3**

### **Corporate Leadership**

- Make a positive contribution as a member of the corporate leadership team, participating in strategic discussions and contributing to the development of the overall strategy for the council which ensures that intended outcomes for the communities of Bournemouth, Christchurch and Poole are achieved
- Set a strategic focus across the council and its partners on delivering a range of effective customer experience, including digital, to all residents of Bournemouth, Christchurch and Poole
- Participate in corporate leadership development and team building and develop appropriate succession capacity for managed services and self
- Work collaboratively with colleagues across the council to develop corporate approaches to service delivery which add value to the residents of Bournemouth, Christchurch and Poole
- Embody and demonstrate the corporate values and ensure that the corporate vision, values and behaviours are communicated clearly, understood and delivered by all employees

### **Managing, Leading and Developing Others**

- Act as a strategic leader building strong, visible and collective leadership between cabinet, senior officers and partners which builds a culture of high performance, inspires people and supports the delivery of BCP objectives which meets the needs of Bournemouth, Christchurch and Poole communities
- Provide inspirational leadership and management to engage diverse teams to deliver best practice
- Cultivate talent by embedding effective succession planning as part of an integral part of the strategic planning process; connecting to the long-term goals and objectives of the council
- Support the overall management of the service that promotes equality of opportunity and collaborative working within staff teams, ensuring that staff are aware of the requirement to deliver a fair and nondiscriminatory service
- Seek and develop strategic external partnerships to achieve positive outcomes for the council and local residents

### **Innovation and Problem Solving**

- Lead and support initiatives or projects to facilitate transformational change, drive and sustain performance and deliver continuous cost and service improvement in support of a digital, collaborative commercial approach
- Take advantage of challenge, pressure and opportunity to transform the efficiency and effectiveness of service delivery and embed an adaptive culture in an environment that needs to make effective use of limited resource
- When faced with challenge or resistance, make evidence-based judgement and decisions
- Lead the strategic development of the broad marketplace including shaping and stimulating markets to access appropriate and relevant public, private and voluntary sectors capabilities to deliver the best possible outcomes for the communities of Bournemouth, Christchurch and Poole

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#### **Relationships and Managing Self**

- Resilient and resourceful to manage multiple conflicting priorities.
- Work effectively in a political environment and establish positive relationships with Councillors, senior managers, staff and external partners, to instil confidence, trust and credibility about the delivery of the service
- Accountability for managing personal professional development

#### **Accountability**

- Direct accountability for the delivery and performance of designated services against current and future strategic objectives and service outcomes
- To be commercial and accountable for the delivery of the agreed budget, to deliver agreed objectives in line with the council's financial regulations, procurement rules and commercial strategy
- Make evidence based and outcome focussed decisions on council policy and activity within the democratic processes of the council. Use proactive risk management to ensure service quality is maintained

#### **Job Requirements**

- Participate in the council's emergency incident duty officer rota and other corporate initiatives as directed

## **Appendix 2 – Dorset Council Comparator**

### **Background**

Dorset Council reviewed its Corporate Director (Tier 3) and Executive Director (Tier 2) roles prior to its inception on 1 April 2019 via South West Council's Job Evaluation Scheme. The roles were salary benchmarked against national and local comparators. The size, scope and responsibility of the Director roles were carefully considered to ensure the comparisons were valid.

### **Salary ranges of Dorset Council Directors roles**

- DC Executive Directors (Tier 2) £126k - £141k pa \*
- DC Corporate Directors (Tier 3) £89k - £115k pa \*

\* Salary ranges include the 2020/21 Chief Officer pay awards

In terms of a salary range, the proposed salary of £120k for Tricuro's MD would sit above Dorset Council's Corporate Director (Tier 3) roles and below our Executive Directors (Tier 2) roles.

### **Job Evaluation**

In order to make accurate comparisons between the relative size, scope and responsibilities between the MD role and a Dorset Council Director role, a job evaluation (JE) exercise would need to be carried out by South West Councils. Due to timescales it is not possible to conduct this exercise before this report was written. A summarised person specification is included which may enable to reader to make some comparisons between roles, although without a structured evaluation there is some risk of future equal pay claims.

### **Conclusion**

The salary benchmarking carried out [REDACTED] is helpful in illustrating the market rate for some similar job roles.

There is some synergy between the Tricuro MD role and DC's Corporate Directors (Tier 3) suggesting the maximum salary should be in the order of £115,000.

However, the Tricuro MD role has different accountabilities and governance than senior Council roles and that could justify a higher amount. Dorset Council would expect that to fall somewhat short of the minimum for their Executive Directors, i.e. £126,000

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### Role Profile – Corporate Director - Tier 3 (Dorset Council)

Essential

Essential criteria are the minimum requirement for the above post.

Qualifications/ training/ registrations
Required by law, and/or essential to the performance of the role
1. Educated to degree level or equivalent.
2. Relevant professional qualification
3. Evidence of continued relevant professional, managerial and personal development.
<b>Experience</b>
4. Experience of working successfully, as a senior leader in a large, complex organisation.
5. Experience of successfully leading transformation and cultural change programmes.
6. Experience of delivering significant improvements through robust individual and service performance management.
7. Experience of making difficult or contentious decisions and the ability to constructively manage conflict.
<b>Skills, abilities &amp; knowledge</b>
8. A record of achievement in leading and influencing decision making, policy formulation and service delivery.
9. Understanding the broad range of issues facing local government and the implications for service provision and delivery.
10. The ability to produce, interpret and understand complex financial and budgetary information.
11. Success in developing effective working relationships, building trust and influencing partnerships to deliver services.
12. A high degree of political awareness, sensitivity and commitment to working closely with all councillors, local organisations and communities.
13. Exceptional communication skills as a credible and convincing advocate for the Council, relating to people at all levels both inside and outside the organisation. An open, facilitative and persuasive manner with highly developed interpersonal skills.
14. Highly developed negotiation and influencing skills.
15. Professional credibility and self-awareness to build rapport, credibility, trust and confidence.
16. A proven ability to challenge others respectfully and constructively, driving colleagues' performance through coaching/mentoring skills.
17. Self-motivated with a strong sense of purpose and drive for achievement.
18. Consistently demonstrates resilience under pressure.
19. Personal commitment and evidence of achievement in the promotion of equality and diversity, both in service delivery and employment.
20. Be creative and innovative in developing, and leading initiatives to support the achievement of organisational goals.
21. Be an inspirational leader able to support and motivate people at all levels within the organisation.
22. Be collaborative, flexible and able to foster a positive organisational culture in an ever-changing environment.
23. Able to deliver successful outcomes through others using leadership and motivational skills, as well as directly inspiring and developing high performance in direct reports.
24. Have the tenacity and professional courage to oversee the successful resolution of significant issues and projects.

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### Role Profile – Executive Director - Tier 2 (Dorset Council)

Essential

Essential criteria are the minimum requirement for the above post.

Qualifications/ training/ registrations
Required by law, and/or essential to the performance of the role
25. Educated to degree level or equivalent.
26. Evidence of relevant continuing managerial and professional development.
27. A relevant professional qualification
Experience
28. Extensive experience of working successfully in a senior leadership role within a complex organisation, such as a significant Local Authority or other large relevant public sector/private sector organisation.
29. Experience of successfully leading large scale and complex transformation programmes involving strategic, structural, digital and cultural change.
30. Demonstrable experience of taking difficult or contentious decisions and the ability to constructively manage conflict
31. Success in developing effective working relationships, building trust and influencing partnerships to deliver services.
32. A proven ability to establish effective individual and service performance measures, evaluating service quality and individual performance to deliver significant improvements.
33. A proven ability to keep track of and interpret national and other major developments as they impact on the work of the Council, presenting them to Elected Members in a timely and effective manner to maximise our capacity to lead and influence events.
Skills, abilities & knowledge
34. A record of achievement in leading and making a sustained contribution to strategic leadership, decision making, policy formulation and service delivery
35. Knowledge of the range of issues facing individuals, communities and government, both local and central, and their implications for planning and delivering services.
36. The ability to work corporately and manage resources effectively in a complex environment, including the ability to interpret and understand complex financial and budgetary information, and to negotiate and influence to direct resources.
37. Contribute to and articulate a vision of how the organisation should operate in future, uniting others to work together to realise that vision.
38. Think creatively and innovatively in developing, recommending and leading strategic initiatives and policies to assist in the achievement of organisational goals.
39. Provide inspirational leadership to support, motivate and enable a large and diverse group of people at all levels within the organisation.
40. Provide effective and citizen-focused services to promote collaboration, innovation and flexibility, fostering a positive organisational culture in an ever-changing environment.
41. Deliver successful outcomes through others using leadership and motivational skills, as well as direct inspiring and developing high performance in direct reports.
42. Tenacity and professional courage to oversee the successful resolution of significant issues and projects.
43. Well-developed political sensitivity and an understanding (or ability to gain this understanding) of the political context, including devolved responsibilities and legislative differences.
44. Ability to lead the digital transformation of Corporate Development, being comfortable using technology and digital solutions on a personal level, modelling the leadership required for a 21st Century Public Service.

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45. A high degree of political awareness, sensitivity and commitment to working closely with all councillors, local organisations and communities.
46. Exceptional communication skills to be a credible and convincing advocate for the Council, relating to people at all levels both inside and outside the organisation.
47. An open, facilitative and persuasive manner with highly developed interpersonal skills.
48. Highly developed diplomatic skills, particularly in motivating, negotiating and persuading others, including partner organisations.
49. Professional credibility and self-awareness to build rapport, credibility, trust and confidence.
50. A proven ability to challenge others respectfully and constructively, driving colleagues' performance through coaching/mentoring skills.
51. Demonstrable flexibility in thinking and actions to help build an effective and efficient organisation.
52. Self-motivated with a strong sense of purpose and drive for achievement.
53. Consistently demonstrates resilience under pressure.
54. Personal commitment and evidence of achievement in the promotion of equality and diversity, both in service delivery and employment.