

Chief Executive's Performance Review Panel
21 September 2022
Note of meeting

Attendees:

Cllr Di Clement (Board Member and Chair)
Dr Rachel Heath-Davies (Board Member and Deputy Chair)
Cllr Stephen Alderman (Board Member)
Tegryn Jones (Chief Executive)

Apologies

1. There were no apologies.

Disclosure of interests

2. There were no disclosures of interest.

Minutes of meeting

3. The minutes of the meeting on 16 March 2022 were agreed as an accurate record.

Notes of performance review

4. The CEO presented the highlights of his performance review report, taking each of the objectives in turn.
5. The first objective - Ensure that the financial resources of the Authority are managed effectively – was discussed in detail. This included the second objective on introducing the new structure and pay and grading.
6. Based on modelling worked, the CEO explained that there is likely to be a deficit of £600,000 in 2023-24 and £900,000 in 2024-25. Bearing in mind the costs of restructuring the Authority as well as addition costs of running the business, the Authority, if it were to use its reserves, would have 2 years to act/resolve the situation.
7. The plan to resolve the financial deficit were explained to be as follows: income generation, refresh the budgeting approach, stop doing some things, invest to save and more partnership working. In terms of income generation, car parking and planning charges were suggested by the CEO, but also more innovative ways were discussed including levies and grants and commercialisation. The panel asked about alternative approaches to budget setting and spending and discussed the opportunity to relook at budget lines as they currently stand. This climate provides an opportunity to start afresh. The CEO explained that not only do budgets need to be more realistic but also based on the activities planned for the future year and not based on historical spend. The panel also discussed opportunities to seek efficiencies across departments and budget lines rather than remain with the same budgets as they stand.

8. The CEO said that he would appreciate more of a steer from members on income generation and commercialisation.

ACTION – Workshop with Members to be arranged to discuss income generation and appetite for more commercial activities.

9. The Chair asked for an update on the restructuring and pay and grading review. The CEO explained that the process had taken longer than anticipated and that the pay and grading review would now be completed by March 2023. The panel also expressed a concern with the planning and forecasting around the cost of the new structure and that the pay and grading review had not yet taken place. Delays such as these can affect staff morale and the CEO was asked to ensure this exercise was completed as soon as possible. Members remained unsighted on the future profile of spending and only had verbal reports to date that the structure would use reserves for some 5 years. However, due to the increase in staff pay recently announced and cost of living crisis, it was now estimated to be just 2 years before the reserves would run out. The CEO explained that the situation remained uncertain and that it was difficult to plan on one scenario. The panel asked the CEO to provide financial profiles for a range of scenarios, so that Members are fully briefed on the CEO's plans for spending, including the use of reserves and grants.

ACTION: CEO to arrange budgeting workshop in October to discuss financial planning scenarios and provide profile of next 5 years for Members.

ACTION: Pay and grading review to be completed no later than March 2023.

10. Supporting the health and wellbeing of staff was discussed. The Panel reiterated the importance of completing the restructure and pay and grading review. Times are particularly turbulent and unsettling for staff at the moment include the Queen's passing and Ukraine as well as cost of living crisis. A panel member also enquired about the lower than usual response rate to the staff survey. The CEO felt that morale was low and that he had been surprised by some staff responses to the restructuring. Some posts had remained the same for several decades and therefore the restructuring was a culture shock.

11. The Panel asked about the HR pressures at the moment as there appeared to be much work to be done e.g. HR strategy, review of all policies, Health and safety matters. The CEO acknowledged these pressures. It was agreed that prioritising the pay and grading and securing the two key vacant posts within the new structure was appropriate and if required, to deprioritise applying for the Corporate Health Standard at this time.

Performance targets

12. The performance objectives were discussed and the revisions required. The CEO's targets for the next quarter are as follows:

- i. Develop plans to meet the short-, mid- and long-term financial challenges, with the aim of dealing with the projected deficit over the next three years.

In doing this including Members in the process, raising staff ambition, building efficiency and resilience through new ways of working and seeking opportunities and innovation through new sources of funding;

- ii. Complete the corporate review, focusing on changes to the structure of the Authority and undertaking a Pay and Grading Review, with the aim of ensuring the Authority delivers its agreed strategy;
- iii. Build on existing work to develop and implement initiatives on land and within the marine to enable the Authority to increase its impact in tackling climate change and nature recovery;
- iv. Support the health, wellbeing and moral of staff, while ensuring that work is focused on the priorities of the Authority. In doing this embed the good practice over the past two years by formalising flexible working arrangements and returning to work in the Llanion office. Work to achieve the Welsh Government Corporate Health Standard;
- v. Work with partners and engage external stakeholders to continue to raise the profile of the Authority and influence policies across priority areas outlined in the Authority's priorities; and
- vi. Continue to support new members to ensure that they are supported by effective induction into the role.