

	General Functions Committee 13 October 2014
Title	Senior Management Restructure
Report of	Chief Executive
Wards	All
Status	Public
Enclosures	Appendix 1: Consultation Document Appendix 2: Close of Consultation Document (Final Proposals) Appendix 3: Equalities Assessment Appendix 4: Statutory Officers Protocol
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Summary

This report considers the strategic agenda facing the Council and makes proposals designed to strengthen the senior leadership capacity, specifically responding to the decisions taken by Policy and Resources Committee in respect of the Priorities and Spending Review.

The Chief Executive undertook collective and individual consultations between the 1st September 2014 and 30th September 2014. This report makes recommendations to the General Functions Committee in respect of the senior management structures following this consultation, a summary of which is provided in the main body of the report.

Although this restructure affects fewer than 20 employees, the seniority of the employees and the impact across lower levels of the organisation warrant consideration by the General Functions Committee.

Subject to the agreement of the recommendations set out in this paper; recommendations will be made to a future Constitution, Ethics and Probity Committee where amendments to the delegations and designations of officers are required.

Subject to the agreement of the recommendations, the Remuneration Committee will consider the pay and grading of the new and amended positions, in line with the Council's existing senior management pay scales. The Remuneration Committee will also agree the selection and appointment process to chief officer and statutory positions.

Whilst the implementation date for this restructure is the 1st April 2015, the General Functions Committee is asked to agree that transitional arrangements may be necessary to compensate for vacant positions, possible redundancies and handover of duties between current and future roles and that the Chief Executive is authorised to take the necessary actions to put in place transitional arrangements for the continuity of business.

Recommendations

It is recommended that the General Functions Committee **AGREE**:

- 1. The deletion and ending of posts on the Council's establishment and the creation of new posts as set out in Section 6 of this report.**

Reason for decision: The reason for this decision is to formally alter the Council's establishment and that the Committee are satisfied that the proposals, rationale and consultation have been sufficient.

- 2. To delegate to the Chief Executive the authority to introduce interim and transitional arrangements to ensure the continuity of service during appointments to the new structure and any vacancies arising pending consideration by the Remuneration Committee.**

Reason for decision: to ensure that the Council has in place key positions to deliver the commissioning intentions during the transitional arrangements.

Alternatives considered

These recommendations and the proposed structure have been subject to consultation and amended as set out in the report.

Consideration to continue with the existing arrangements would result in the retention of the current structure, without the benefit of the savings indicated and improvements to the intention to strengthen the commissioning functions of the Council.

1. WHY THIS REPORT IS NEEDED

- 1.1** The report concerns the proposed changes to the establishment of the Council. The report is presented as the posts covered by the proposed structure will be of concern to the General Functions Committee.

- 1.2 The General Functions Committee decisions are required prior to any changes to appointments of chief officers by the Remuneration Committee.

2. REASONS FOR RECOMMENDATIONS

- 2.1 The recommendations in this report are designed to strengthen the Council's commissioning functions for the reasons set out in the consultation.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The development of the proposals included a 30 day consultation with senior managers to explore alternative proposals. The response to the consultation is set out in Appendix 2.

4. POST DECISION IMPLEMENTATION

- 4.1 Should the recommendation be approved, the Remuneration Committee will be asked to consider the approval of the proposed remuneration and the selection criteria for chief officer positions. Positions below chief officer will be subject to an internal appointment process in the first instance.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The report concerns the commissioning functions of the Council.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 The proposals set out within this report can be contained within the relevant existing budgets of the Council, with savings in the overall cost of senior management and associated support costs.
- 5.2.2 Any redundancies will be funded through the Council's redundancy reserve.

5.3 Legal and Constitutional References

- 5.3.1 Part 15a of the Constitution Responsibility for Function - General Function Committee – all other Council functions that are not reserved to Full Council
- 5.3.2 Statutory guidance for the Director of Adult Social Services post proposes that the two statutory posts of Director of Children's Services and Director of Adult Social Services should be at the same level. The statutory guidance for the Director of Children's Services recommends tier 1. Local authorities must have regard to the Guidance and, if they decide to depart from it, they will need to have clear reasons for doing so. However, both statutory officers must have direct access to the Head of Paid Service. How this is proposed to be addressed is set out in Appendix 4.

5.4 Risk Management

- 5.4.1 The Council's commissioning functions are essential to the continuing transformation of services and delivery of the Commissioning Council aims. To achieve this, the Council requires the right people with the set of skills to commission effective services for our residents. During the transition period between the Committee and implementation date there will be a requirement to manage the changes in the commissioning portfolios.

5.5 Equalities and Diversity

- 5.5.1 The proposals set out in this report have been considered in the Equalities Assessment (Appendix 3).

5.6 Consultation and Engagement

- 5.6.1 The consultation of staff affected has been undertaken through group consultation, individual meetings with those directly affected and the opportunity for written feedback. There was very high engagement from the commissioning functions and other senior managers with considered points of view that have been reflected in these final proposals.

- 5.6.2 The summary of the consultation is set out in Appendix 2.

6. DETAIL

- 6.1 On 7th November 2012, the General Functions Committee noted a report concluding the re-organisation of the Council and the appointments to senior positions within the structures of the Council.
- 6.2 The purpose of the reorganisation was to establish firm arrangements for commissioning services and enhance the focus of strategic managers to commission services based on outcomes and a stronger customer orientation. In addition, the restructure released financial savings recognising the need to invest in strategic management capacity whilst delivering savings in management structures.
- 6.3 The restructure created a Commissioning Group and Delivery Units.
- 6.4 In January 2014, minor management reporting arrangements removed the line management of operational Delivery Units from the Strategic Directors to the Chief Executive.
- 6.5 In reviewing the effectiveness of the arrangements agreed in 2012, the Chief Executive has set out a rationale to further strengthen the commissioning functions of the Council; provide greater clarity of roles and responsibilities between commissioners and delivery unit directors; and to ensure statutory responsibilities sit within the commissioning group of the Council.

- 6.6 To inform the recommendations to this Committee, the Chief Executive has undertaken a consultation within the Commissioning Group and the wider senior management structure.

Proposals

- 6.7 The proposals are set out in Appendix 2 (Close of Consultation Document) and are summarised as follows:

Commissioning:

- Establishing a single commissioning structure reporting to one Strategic Director.
- Establishing a team of four Commissioning Directors, reducing the current number of lead commissioners, including designating two of the Commissioning Director roles as statutory officers for Children's Services (DCS) and Adult Services (DASS).
- Realigning commissioning functions across delivery units (both internal and external) into the new Commissioning Group structures.

Chief Operating Officer

- Minor reorganisation of communications and public engagement functions under a Director of Strategy, which has an enhanced portfolio to drive strategic delivery and improve public engagement in commissioning decisions and consultations.

Delivery Units

- Reorganisation of Adults & Communities Services at a senior management level to move the statutory function of Director of Adult Social Services into the Commissioning Group.
- Consideration of transfer of commissioning and joint-commissioning arrangements from Delivery Units to the new Commissioning Group.

Assurance

- There are no proposals in respect of the Council's Assurance functions.

- 6.8 As a result of the decision to approve the new structure the following positions will be deleted from the existing establishment:

- Strategic Director for Communities
- Strategic Director for Growth and Environment
- Lead Commissioner (Later Life)
- Lead Commissioner (Family and Community Wellbeing)
- Lead Commissioner (Schools, Skills and Learning)
- Lead Commissioner (Enterprise and Regeneration)
- Lead Commissioner (Housing and Environment)

The following positions will be created:

- Strategic Director for Commissioning
- Commissioning Director (Children and Young People)
- Commissioning Director (Growth and Development)
- Commissioning Director (Adults and Health)
- Commissioning Director (Environment)

The following positions will be amended:

- Assistant Director for Commissioning Strategy to Director for Strategy
- Head of Communications to Head of Communications and Marketing, with reporting line to the Director for Strategy
- Adult and Community Services Director to remove commissioning functions and statutory designation.

7. Consultation

7.1 The chief executive launched the formal consultation with employees potentially affected by these proposals, all of whom are not covered by any collective bargaining arrangements.

7.2 A copy of the consultation document is provided in Appendix 1.

7.3 The consultation was undertaken through:

- **Trade Unions:** although senior managers are not part of any collective bargaining arrangements, some may belong to trade unions. Trade union colleagues were provided with an advance copy of the consultation document, equalities assessment and timetable. Further discussions were held with the Director for Human Resources on the 9th September 2014.
- **Collective discussion:** the Chief Executive met with individuals directly affected as a group prior to releasing the consultation to the wider senior management of the Council on the 1st September 2014.
- **Individual consultation:** both the Chief Executive and Director for Human Resources had initial face to face meetings in the first week of consultation with those potentially affected. Further meetings were offered during the consultation period. Individual feedback was received in writing.
- **Communications:** A FAQ sheet was provided following the first round of feedback.

7.4 Consideration was given to extending the consultation period to allow more time for individuals who may be affected to consider the impact on them. No employee requested additional time, and the general consensus was to progress with the final proposals swiftly to ensure a continued focus on service commissioning plans, financial planning and delivery and continued improvements to delivery and commissioning functions.

8 IMPACT

- 8.1 The proposals set out today directly affect 10 employees. The overall number of roles available to this group of staff is 8, therefore potentially placing at least two employees at risk of redundancy.
- 8.2 An Equalities Analysis has been undertaken and no specific disproportionate impacts were identified on any protected characteristics relating to the Council's Equalities Duty.
- 8.3 Below Lead Commissioner and Delivery Unit Director roles, there will be further structural changes in relation to commissioning functions and support. This will be addressed through restructures that will start once senior positions are appointed to as part of this restructure. This is to allow a managed migration of functions determined by those who will be managing them.
- 8.4 At the same time, a consultation is being undertaken in the Executive Office, the area providing support to the senior management and commissioners of the Council. Further savings have been identified to reduce the number of executive assistants supporting a smaller Commissioning Group.

9 USE OF RESOURCES

- 9.1 Subject to the approval of the remuneration levels at the Remuneration Committee, the overall structure will see a further reduction in senior management costs of around £100,000 for a full year. This is in addition to the £1,115k savings from senior management in 2013.
- 9.2 With the potential of redundancies, a number of officers at risk of redundancy may choose to retire on the grounds of redundancy as per the Local Government Pension Scheme Regulations. The Council has provision for redundancy and pension strain arising from such situations through the redundancy reserves.