

Report To:	Cabinet	Date:	23/3/17
Heading:	CORPORATE LEADERSHIP RESTRUCTURE		
Portfolio Holder:	CLLR CHERYL BUTLER – LEADER OF THE COUNCIL		
Ward/s:	ALL		
Key Decision:	Yes		
Subject To Call-In:	Yes		

Purpose Of Report

To seek approval from Cabinet to revise the Corporate Leadership Team structure.

Key drivers for change

- Financial Savings
- Delivery of the Corporate Plan
- Customer focus and service
- Commercial focus
- Managers to be more empowered, removing bureaucracy, whilst ensuring robust performance management and accountability
- Recruitment and retention
- Synergies and collaborative working

Recommendation(s)

1. To approve and recommend the revised structure as shown in appendix 1 and detailed in this report to the Chief Officers Employment Committee
2. To authorise the Chief Executive in consultation with the Leader to implement the revised structure (subject to approval by the Chief Officers Employment Committee)
3. To authorise the Chief Executive in consultation with the Leader to undertake the necessary Human Resource actions required to implement the revised structure (subject to approval by the Chief Officers Employment Committee)

Reasons For Recommendation(s)

Appendix one sets out the current structure and a proposed new structure. The proposed new structure reduces the number of director posts to four Directors each reporting to the Chief Executive. The structure and roles have been defined based on informal and formal consultation with the affected staff and Trade Unions. The structure has been assessed against a number of factors including;

- Financial Savings – the degree to which the revision makes savings to the Council's revenue budget
- Capacity – the degree of capacity that the revised structure offers in order to provide the leadership capacity needed and to meet the operational needs of the Council's services
- Retention & Recruitment – how attractive are the roles to existing and potential future recruits will the proposals retain and attract existing and future talent. To what degree will the proposals support the development of aspiring third tier officers.
- Sustainability - how much longevity will the proposed structure have especially given the need for financial savings.
- Functionality - Does the structure provide a sound grouping of services and create synergies between service areas.
- Risk – what risks does the option increase or decrease.

In light of an assessment by the Chief Executive using these factors and having compared and contrasted the Council's current and proposed structures with other similar authorities it is proposed that the Council adopts a Corporate Leadership structure based on four Directors as shown in appendix 1.

Alternative Options Considered (With Reasons Why Not Adopted)

A range of alternative structures were considered and discounted using the approach detailed above. The selected option provides the optimum outcome given our current financial and operational situation.

Detailed Information

It is proposed that the Council adopts a Corporate Leadership structure based on four Directors as shown in appendix one. A feature of the new structure is the proposal to have one Officer who will be paid a non-contractual, special responsibility allowance of £3000 p.a. This Officer will be the nominated Head of Paid Services and provide cover in the Chief Executive's absence, along with acting as the representative of the Chief Executive when required.

The Director roles and job descriptions are deliberately quite generic but do include technical and specialist knowledge based on the specifics of the role. A key part of each role is the wider leadership competencies expected of a Director and the expectation that they will work as a team across the Council, leading on corporate projects alongside their functional responsibilities.

The new roles are as follows

- Director of Legal and Governance
- Director of Place and Communities
- Director of Housing and Assets
- Director of Resources and Business Transformation

The roles have been evaluated using the Local Government Scheme for chief officers by the HR Shared Service. The salary point is £76,000 p.a. being based on a pay bench marking exercise also undertaken by the HR Shared Service.

Appointment to proposed new structure

The appointments to the proposed structure will be made in line with the Restructure and Redundancy Policy.

A test of difference exercise has been completed for the current roles against the proposed roles which determined that the posts were found to be 'not significantly different' detailed in the table below:

Current Post	Proposed Post	Comments
Assistant Chief Executive - Governance	Director of Legal and Governance	Match
Service Director – Place and Communities	Director of Place and Communities	Match
Service Director - Housing	Director of Housing and Assets	Match
Deputy Chief Executive Officer - Resources	Director of Resources and Business Transformation	Match – two posts merging into one
Service Director – Corporate Support and Transformation	Director of Resources and Business Transformation	Match – two posts merging into one

Where there is only one match the post holders can be assimilated into the new posts.

The posts of Deputy Chief Executive – Resources and the Service Director -Corporate and Transformation are being merged into a single post of Director of Resources and Business Transformation and therefore in accordance with the Restructuring and Redundancy Policy (see below) will be subject to a competitive selection process subject to both officers stating an interest in the role:

'Where there is a post, or posts, in the new structure which clearly result from the merging of two or more posts from the old structure then those existing post holders will be the initial candidates invited to apply for the post(s) and a ring fenced competitive recruitment process will apply'.

It is anticipated that the new structure will be implemented following relevant processes and following the relevant Committee Approval and call in. A target date for implementation is the 1st of June 2017.

The appointment to deputise for the Chief Executive will be ring fenced to all eligible Directors (note the Director Legal and Governance is not eligible to undertake this role due to a conflict with the Monitoring Officer designation). Expressions of interest will be requested and a competitive selection process undertaken.

Post implementation of the new structure all post holders will have a Development Review to support them in their new roles.

Statutory Officers

Within this report there are impacts on two statutory roles that of the Section 151 officer and that of the Monitoring Officer. The impact on the Monitoring Officer is not significant and requires no additional changes or governance. In the scenario whereby the current Deputy Chief Executive and S151 Officer leaves the Authority the Corporate Finance Manager, would subject to Council approval, be re-designated as S151 Officer and would meet the statutory functions of the Section 151 officer. There is no requirement that the Section 151 Officer be at Director level. The post holder Corporate Finance Manager would be paid an honorarium (as per the Council's Policy) until such time as the post is reviewed as detailed below. The current indicative timetable indicates that the transfer of S151 responsibilities to the Corporate Finance Manager would be effective from the 1st June 2017. This will be in advance of a full review being implemented on that post or the finance service. The change will necessitate a review of the finance service to make appropriate changes to support the Corporate Finance Manager to meet the S151 requirements. A sum of £30,000 is being held aside from the overall savings arising from this report to facilitate potential changes.

Third Tier Officers

As a consequence of these proposals there are likely to be line management changes for some of the third tier managers. Assuming approval of this report third tier managers would be informed of any line management changes that affect them. It is proposed that all third tier manager designations will be changed to create a consistent designation, that of Service Manager. This change will be implemented through a migration process and should be used in current and future reviews and restructures. It is to be noted that ongoing and future Service Reviews will affect the number and nature of current third tier roles. It should also be noted that a cross cutting review of the third tier management is likely during the summer/autumn of 2017 following the restructure of the Corporate Leadership Team.

Implications

Corporate Plan:

The structure proposed in this report has been considered against the corporate plan and is aligned with it.

Legal:

All the new Director posts will be Politically Restricted Posts in accordance with Part 1 of the Local Government and Housing Act 1989.

The Monitoring Officer cannot also be the Head of Paid Service (Section 5(1A) LGHA 1989) so is not eligible to undertake the role of deputising for the Chief Executive.

The Council is required to approve an appointment of the Head of Paid Service (and the deputy thereto) and the other statutory roles of Monitoring Officer and Chief Finance Officer (Articles 4 and 11 of the Council's Constitution).

Part 3, Section 1.8 (Committee Terms of Reference) and Part 4 (Employment Procedure Rules) of the Constitution set out the remit of the Chief Officers Employment Committee in relation to the appointment of Chief Officers, the job descriptions for those roles and for recommending appointment of the Statutory Officers to Council for approval.

Finance:

This report is effective from 31/05/2017 or the date from when the arrangements are put in place and has the following financial implications:

Budget Area	Implication
General Fund – Revenue Budget	A full year saving of £128k has been identified when compared to the 2016/17 structure. The 2017/18 budget has already been reduced by £90k, leaving further savings of £38k to be taken. The savings shall be pro-rated to account for part-year implementation.
General Fund – Capital Programme	None
Housing Revenue Account – Revenue Budget	A full year saving of £30k has been identified when compared to the 2016/17 structure. The 17/18 budget has already been reduced by £10k, leaving further savings of £20k to be taken.
Housing Revenue Account – Capital Programme	None

A sum of £30k arising from the structure changes has been set aside for potential investment into the finance team in the event that the Deputy Chief Executive and S151 officer leaves the authority through this process. The savings shown above are the net figure following the setting aside of the £30k

Human Resources / Equality and Diversity:

Human resources implications are contained within the report. All employment policies, procedures and protocols will be applied as appropriate. This will include application of the Restructuring and Redundancy Policy, consultation with affected employees and trade unions.

Other Implications:

Trade Union comments

The Chief Executive Officer has consulted the Trade Unions regarding this report.

The Trade Unions believe that the Corporate Leadership Team has delivered effective leadership throughout a very difficult period. There is therefore some anxiety about the reduction in the size of that Team.

Clearly the Council faces a very difficult financial situation and inevitably, the scope of service delivery and the way those services are delivered will change.

We trust that the impact on service managers of a reduced CLT will be a consideration for all the future and current reviews referred to in the report.

We are pleased to see that funds have been allocated to support a review of the Finance Division.

Reason(s) for Urgency (if applicable):

Not applicable

Background Papers

None

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