

SENIOR MANAGEMENT RESTRUCTURE

Council – 3 November 2015

Report of:	Chief Executive
Status:	For Decision
Also considered by:	Cabinet – 15 October 2015
Key Decision:	No

Executive Summary: This report sets out a proposal for a restructure of the Council's senior management as part of the Council's efforts to balance its 10 year budget.

The report provides the criteria used to help shape the proposal, the proposed senior management structure, a summary of the consultation carried out with staff and the processes that will be followed in appointing to the new posts.

Portfolio Holder Cllr. Peter Fleming

Contact Officer Dr Pav Ramewal

Recommendations to Cabinet: That Cabinet

- (a) endorse the proposed senior management restructure as set out in Appendix A to this report;
- (b) note that the costs associated with the restructure of senior management will be limited to, and met from, the earmarked Reorganisation Reserve; and
- (c) note that the cost of any service restructures as a result of the new senior management structure will be limited to, and met from, existing service budgets.

Recommendations to Council: That Council approve

- (a) the proposed senior management structure as set out in Appendix A to this report;
 - (b) the new senior management structure to take effect from 1 April 2016;
 - (c) the posts of Chief Housing Officer and Chief Officer Legal & Governance be deleted from the end of May 2016 following offers of voluntary redundancy from the post holders;
 - (d) the post holder of the Head of Legal & Democratic Services role be appointed as Monitoring Officer, effective from 1 April 2016;
 - (e) the appointment of the Chief Finance Officer as section 151 Officer, effective from 1
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April 2016; and

- (f) that authority be delegated to the Monitoring Officer to make the necessary consequential changes to Part 13 of the Constitution entitled “Officer Responsibilities and Delegations” in order to take account of the changes in senior management set out within this report.

Reason for recommendation: To adopt a management structure that will ensure the Council is well placed to deliver on its vision and promises to the community, to meet future challenges and to support the Council to deliver the savings required to achieve a 10 year balanced budget that is self-sufficient and no longer reliant on direct financial support from central Government.

Background

- 1 The Council’s current senior management structure has been in place since September 2013 and consists of a Chief Executive and seven Chief Officers. At the time of agreeing the structure the Council report highlighted that the role of Chief Officer is an enhancement of the previous Head of Service roles and at its core enabled the Council to continue to benefit from the extensive experience of Heads of Service who had contributed significantly to Sevenoaks District Council being recognised as performing in the top 2% of Councils nationally.
- 2 Five of the Council’s Chief Officers were assimilated in to their roles from their previous Head of Service posts. The Chief Officers for Planning and Finance were appointed to their roles following a competitive external recruitment process.
- 3 The progressive approach taken to the senior management structure has always recognised the financial pressures the Council has faced, whilst enabling it to retain a strong focus on delivering the Council’s priorities and to achieve national recognition for value for money.
- 4 In developing the current structure the Chief Executive was clear in his report to Council (in 2013) that due to the extent and pace of change being set out by central government that the senior management structure would need to evolve over the next few years as the impact on local government becomes clearer. It was hoped that this would lead to future savings and efficiencies.

Introduction

- 5 Since 2010 the Council has faced severe cuts to its funding as the Government has implemented strategies to address the Country’s economic difficulties and reduce the national deficit. In 2010 the Council identified that it was faced with a significant shortfall in its funding, approaching £6.5 million between April 2011 and March 2015. By adopting a unique long term financial strategy and a ten year budget framework the funding gap was reduced to £4.5 million. By making savings early in the 10 year budget period the impact on front line services was negligible.
- 6 Since 2013, when the Council set out its last Corporate Plan, the Council has been clear that its financial strategy is to become self sufficient and no longer be reliant on funding from central government. This report sets out a senior management

restructure that contributes on-going financial savings towards that goal, whilst also ensuring capacity remains in the organisation to deliver the high quality services Members and residents expect, as well as implementing those projects identified by Members that will deliver benefit to our communities and support the Council to become self-sufficient.

- 7 The Council's Financial Prospects report was considered by the Finance Advisory Committee on 1 September and by Cabinet on 17 September who agreed that the Council seek to set a budget without reliance on direct government support.
- 8 The Council's draft budget, currently being considered by each of the Cabinet Advisory Committees, moves the Council towards this aim and if Council chose to adopt this approach we believe it will make Sevenoaks District Council the first local authority in the country to achieve this position.
- 9 In order to achieve a self-sufficient budget position it has always been recognised that the Council will need to continue to make efficiencies and financial savings from the way it delivers its services as well as continuing to generate more of its own income. The draft budget forecasts a savings requirement of £500,000 in 2015/16 and a further £100,000 in each of the next nine years to deliver the 10 year budget.
- 10 One of the savings items proposed is a restructure of senior management. This is included within SCIA 20 (pay cost savings) and would deliver the Council an ongoing minimum saving of £120,000 per year and with the potential for increased efficiency in service delivery, further savings may be generated from management. This report sets out the detail of how the senior management restructure will be delivered and recommends that it takes effect from 1 April 2016.

Future Challenges

- 11 As a result of changes to legislation, continued substantial reductions in government funding of local authorities and the priorities set out by local Members the Council faces a range of future challenges.
- 12 As changes continue to take effect in areas such as welfare reform, national planning policy, and the way in which health and social care services are delivered the Council will need to ensure it has the right resources to respond to deliver the best outcomes for its communities. Alongside this the demand for the devolution of services from Government is expected to continue to grow. As Kent considers its position the Council will want to ensure it is well placed to seek the solution that is best for its residents and businesses.
- 13 On this basis the drive to become financially self sufficient and maximise the benefit of the Council's Property Investment Strategy is considered to be of increasing strategic significance and will help ensure the Council is well placed to address future challenges and protect the quality of its own services. Having a robust management structure that is able to deliver on the Council's priorities and ensure that Members are well supported to take the Council forward will support this aim.

Proposed Structure

- 14 Taking into account the need for financial savings and the future challenges that the Council faces it is proposed that the senior management structure is reduced from seven Chief Officers and a Chief Executive to five Chief Officers and a Chief Executive. Structure charts of the proposed and existing structures are set out at Appendix A and Appendix B for Members information.
- 15 The proposal to reduce the current seven Chief Officer posts to five Chief Officer roles has been reached for the following reasons:
 - A commitment to Council to review the senior management structure in the years following 2013;
 - To ensure a more streamlined and dynamic decision making structure that has the benefit of more integrated working amongst teams that are currently managed by more than one Chief Officer;
 - Being able to retain sufficient capacity to ensure the Council has strong officer leadership to address future financial and service challenges;
 - To support Members to deliver on the promises they set out in the Corporate Plan and to deliver corporate projects, including property investments and an improved website with more online services;
 - Seeking to protect the quality of service delivered by the Council and its front-line officers to a growing customer base; and
 - To contribute to the savings requirement set out in the Council's Financial Prospects report.
- 16 Following a period of consultation with all of the Council's Chief Officers both the Chief Housing Officer and the Chief Officer Legal & Governance have offered to take voluntary redundancy, which if approved by Council will lead to the deletion of their posts.
- 17 Both the Chief Housing Officer and the Chief Officer Legal & Governance have made an outstanding contribution to the Council and its success over a number of years and have performed the role of Chief Officer with exceptional skill, professionalism and dedication. On a personal note they have each provided me with valuable advice and support throughout my time at the Council and as Chief Executive and I know they are both highly respected members of the Strategic Management Team.
- 18 Both Pat and Christine have endeavoured to provide Members with the highest levels of support and advice and I would hope Members acknowledge and appreciate their efforts and the difference that, through their services, they have made to the communities of Sevenoaks District.
- 19 It is proposed that the services currently managed by the Chief Housing Officer and by the Chief Officer Legal & Governance are re-aligned amongst the remaining Chief Officers. In doing so each responsible Chief Officer will be charged with

reviewing the structure of the services within their remit. This may result in increased efficiency in service delivery, with the potential for further savings to be generated from management through these reviews.

- 20 Each of the Chief Officers in the new structure has been consulted and has stated that they would be able to take on the additional services and responsibilities within their roles.
- 21 The new structure will take effect from 1 April 2016. The redundancy of the two Chief Officers would take effect at the end of May 2016 to allow them to support a transition period as services are re-aligned and to provide essential support for the Police and Crime Commissioner election process.

Statutory Officers

- 22 The Council's Monitoring Officer is currently the Chief Officer Legal & Governance who has offered to be made voluntarily redundant and resultantly the post will be deleted. As a statutory post it is incumbent on the Council to appoint a new Officer to take up the role of Monitoring Officer. It is proposed that Council approve that the post holder of the Head of Legal and Democratic Services role is appointed as the Council's Monitoring Officer, effective from 1 April 2016.
- 23 The Council's Chief Executive is currently the Council's section 151 officer, with overall responsibility for the council's finances. It is proposed that under the new structure this role is filled by the Chief Finance Officer. As such it is proposed that Council approve that the Chief Finance Officer is appointed to be the Council's section 151 Officer, effective from 1 April 2016.

Service Structures

- 24 Following the appointment to the new Chief Officer roles the new Strategic Management Team will undertake a review of the remaining service structures to deliver sustainable service models that are equipped to address future challenges and deliver high performing, customer focussed services. This may result in increased efficiency in service delivery, with the potential for further savings to be generated from management through these reviews. As part of ensuring the retention of staff, a limited number of new Heads of Service posts (designated from service managers) may be introduced as part of these reviews. As with previous restructures at this level these will be implemented, under delegated authority, by the responsible Chief Officer in consultation with the relevant Portfolio Holder, and agreed by the Head of Paid Service.
- 25 It is recognised that any subsequent restructures must be met from within existing budgets and no financial growth items will be proposed to achieve a restructure of any service.

Other options considered and rejected

- 26 Consideration was given to not reviewing the senior management structure at this time. However, subject to Council approval, the requirements for financial savings in order to deliver a balanced 10 year budget are likely to have an impact on the

Council's staff and its structure. To continue to deliver high quality services it is considered preferential to sustain the current capacity within services and look to contribute to the savings requirement from senior management.

- 27 This approach will ensure sufficient capacity is retained at a strategic level whilst minimising the likelihood that the quality of services delivered is impacted by the reductions in staffing.

Key Implications

Financial

- 28 In order to achieve a self-sufficient budget position it has always been recognised that the Council will need to continue to make efficiencies and financial savings from the way it delivers its services as well as continuing to generate more of its own income from investments and trading. Subject to approval by Council, the draft budget forecasts a savings requirement of £500,000 in 2015/16 and a further £100,000 in each of the next nine years to deliver a balanced 10 year budget.
- 29 The restructure of senior management as proposed will contribute an ongoing saving of a minimum of £120,000 per year and with the potential for increased efficiency in service delivery, further savings may be generated from management.
- 30 Each of the new Chief Officer roles will be subject to an independent Hay Job Evaluation to ensure remuneration remains at the appropriate level. The remuneration of the Chief Officers from 1 April 2016, based on the outcome of the job evaluations, will be considered by the Leader of the Council and the Portfolio Holder for Finance. The redundancy costs associated with the restructure of senior management will be met from the earmarked Reorganisation Reserve that was approved by Council in February 2012.

Legal Implications and Risk Assessment Statement.

- 31 The Council has taken the professional advice of the HR Manager and the Chief Officer Legal & Governance to ensure proper practices are followed in the proposed restructure of the Council's senior management.
- 32 The risk of reducing the senior management structure, whilst retaining the Council's ability to deliver on its vision and promises and the corporate projects Members have set out, is considered to be low.

Equality Assessment

- 33 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Resource (non-financial)

- 34 As a result of the proposal to restructure senior management two posts will be deleted from the Council's structure. The Chief Housing Officer and Chief Officer Legal & Governance have each offered to take voluntary redundancy.

Conclusions

- 35 This report sets out for Members a proposed senior management structure that will enable the Council to continue its progression as a high performing, value for money organisation.
- 36 The proposal takes due consideration of the environment the Council operates in now, the significant future challenges that the Council will face and the local needs and aspirations articulated through the Council's vision and promises.
- 37 The structure is designed to ensure that the Council continues to benefit from the extensive experience of its current Chief Officers who have contributed significantly to the Council's success and provides the foundation for the Council to continue to shape its own future.
- 38 Importantly the proposed structure also delivers a minimum saving of £120,000 from senior management costs, as a contribution to the savings requirement currently identified in the draft budget. All costs associated with the restructure will be met from within the Reorganisation Reserve which is earmarked for such purposes.

Appendices

Appendix A – Proposed senior management structure

Appendix B – Current senior management structure

Background Papers:

[Financial Prospects Report](#)

[Corporate Plan](#)

Dr Pav Ramewal
Chief Executive