

SENIOR MANAGEMENT RESTRUCTURE

Cabinet – 10 January 2013

Report of the: Chief Executive

Also considered by: Council – 19 February 2013

Status: For Consideration and Comments

Key Decision: No

Executive Summary: This report sets out a proposal for a restructure of the Council's senior management that meets the commitment within the four year savings plan to deliver a reduction in senior management costs of £302,000.

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.

This report supports the Key Aim of delivering the Council's vision and promises through effective management of council resources.

Portfolio Holder: Cllr. Peter Fleming

Recommendations to Cabinet:

It be resolved that Cabinet:

- (a) endorse the report;
 - (b) note that the costs associated with the restructure of senior management will be limited to, and met from, the earmarked Reorganisation Reserve as approved by Council in February 2012; 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.
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Recommendations to Council:

It be resolved that Council approve:

- (a) the changes proposed within the report and the senior management structure set out at Appendix A to this report;
 - (b) that the post of Director of Community and Planning and Deputy Chief Executive be deleted from April 2013 following an offer of voluntary redundancy from the
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post holder;

- (c) that the new senior management structure will take effect from 1 September; and
- (d) the processes to be followed in respect of consultation and recruitment.

Reason for recommendation: To adopt a management structure that will ensure the Council is able to deliver on its vision and promises to the community, be well placed to meet future challenges and to deliver the savings required as part of the four year savings plan, that contribute to the Council delivering a long term sustainable budget.

Background

- 1 Since 2003 the Council has continually sought and delivered improvements to the way it works to the benefit of the local community. Throughout this period the Council has implemented improvements to its organisational structure, including reviews of senior management. Preceding 2003 the Council employed 23 Heads of Service and up until recently employed 3 Directors. By adopting a strategic approach to workforce management and through the introduction of initiatives such as empowerment by 2010 the number of Heads of Service had been reduced to just eight. This progressive approach, that has always recognised financial pressures, has enabled the Council to retain a strong focus on delivering the Council's priorities, enabled it to achieve national recognition for value for money and been honoured as a Champion organisation for Investors In People. As a result the Council has developed a reputation as one of the highest performing local authorities in the Country.
- 2 Over the last two years the Council has faced severe cuts to its funding as the Government has implemented strategies to address the Country's economic difficulties and reduce its 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 the funding gap was reduced to £4.5 million.
- 3 A comprehensive and structured review of savings options led to the creation of a four year savings plan which would deliver the savings required and provide the foundation for the Council's long term financial stability. The savings plan, agreed by Council in December 2010, included a commitment to deliver savings totalling £302,000 from senior management.
- 4 Between 2010 and 2012 the Council has reduced its number of Heads of Service to just five and as a result £60,000 has already been contributed to the savings target from senior management. In October 2012 the Council's Chief Executive notified the Leader of the Council of his intention to retire in September 2013. Members took the decision to appoint from within the Council and the Chief Executive Designate was confirmed by Council on 7 November 2012 and was requested to develop a proposed structure that would identify the remaining savings.

Introduction

- 5 This report sets out a proposal for a new senior management structure for Sevenoaks District Council to take effect from 1 September 2013. The overall proposals have been developed by the Chief Executive Designate following consultation with the Council's senior managers.
- 6 In developing the structure it was clear that a number of criteria must be met. These can be summarised as:
- Delivering the financial savings required from senior management to support the achievement of the four year savings plan;
 - Developing a structure that provides the strategic direction, leadership, skills and capacity required to deliver on the Council's vision and promises;
 - Ensuring that the senior officer structure provides the required level of support to Members, providing appropriate access to information and advice to fulfil their role as community leaders;
 - Ensuring the structure maximises the benefit of the skills and experience of high performing senior managers that have been an integral part of the Council's achievements;
 - Retaining sufficient capacity within the structure to support the Council's ambitions to continue to develop and retain high quality officers and maintain an unstinting focus on the customer; and
 - Ensure the Council is in a strong position to anticipate and shape the future challenges it faces, which are set out in the following section of this report.

Future Challenges

- 7 Linked to the criteria set out above there are a number of future challenges that the proposed structure has been developed to embrace. The approach recognises that due to the extent and pace of change the structure will need to evolve over the next few years as the impact on local government becomes clearer. It is hoped that this will lead to future savings and efficiencies.
- 8 As a result of changes to legislation and continued substantial reductions in Government funding of local authorities the key future challenges are set out in the following paragraphs.
- 9 **Finance.** Continuing to develop the Council's financial strategy and providing highly informative analysis will be critical to enabling the Council's services to succeed in to the future. Economic forecasts continue to be pessimistic and this will inevitably have a negative effect on the future of local government funding. When combined with the other key issues set out below maintaining a strong focus on finance will be imperative to the Council's ability to shape its own future.
- 10 **Welfare Reform.** The transition to local support for council tax and Universal Credit, the expectation of £5bn of further cuts to come from the Country's benefit bill in the coming years and accompanying amendments to social housing

legislation will have a significant and lasting impact on the Council's services. Maximising the benefit of innovative services such as the HERO project and enabling new social and affordable housing in the District will be essential in supporting the local community and preventing homelessness.

- 11 **Planning Reform.** The introduction of the National Planning Policy Framework and the recent Growth and Infrastructure Bill continues to show the Government's determination to transform the planning process to positively encourage new development. Linking this to the increased incentives to local authorities to encourage appropriate development through New Homes Bonus, local retention of business rates and Community Infrastructure Levy provides a new framework for local government to maximise the benefits of the planning service for the benefit of the whole community. To balance this with the Council's promise to protect the Green Belt and the potential demand for local plans requires a strong focus, exceptional leadership skills, detailed knowledge of the planning system and a high sense of understanding of the importance of local issues.

There is no doubt that planning is a major, vital service to the District Council and it operates in a sensitive environment. Recent Government proposals to return to performance monitoring Council planning departments on the quality and speed of their decisions creates further demand for an efficient, customer focussed service to ensure decisions on planning matters remain with this Council for the long term. To achieve this there is a need for the Council to ensure it has a very high degree of professional expertise and experience in development control.

Planning policy is very different. Whilst it retains a very strong planning focus, it is now much broader and needs to link very closely with the Community Plan and the Council's priorities for housing and economic development.

- 12 **Local Issues.** The Council has set out its promises that in addition to value for money and protecting the green belt include community safety, a high performing waste collection service and supporting the local economy. The proposed structure ensures that the Council retains the skills, experience and expertise to achieve these promises and as a result continue to build on the Council's reputation as a high performing local authority.

Proposed Structure

- 13 Taking into consideration each of the criteria above and the future challenges that the Council faces it is recommended that the Council adopts the management structure proposed at Appendix A to this report. For Members' information the existing management structure is set out at Appendix B to this report. The new structure reduces the existing management team from three individuals to one individual.
- 14 The Council is facing or is likely to face a number of significant pressures and challenges, the like of which local government has not seen for many decades. It would therefore not be the appropriate time at which to consider a reduction in Heads of Service, due to both their technical and operational expertise.
- 15 The Director of Community and Planning and Deputy Chief Executive has offered to take voluntary redundancy leading to the deletion of this post. This allows the

Council to introduce a structure going forward that will place it in a strong position to tackle the significant challenges ahead.

- 16 The Director of Community and Planning and Deputy Chief Executive has done an outstanding job in her current role and has been a significant contributor to the Council's transformation and will no doubt leave a large gap at senior level.
- 17 In place of the Deputy Chief Executive role the new structure introduces the role of Chief Officer. The role of Chief Officer is an enhancement on the existing Head of Service roles. At its core the Chief Officer role enables the Council to continue to benefit from the extensive experience of the current Heads of Service who have contributed significantly to Sevenoaks District Council being recognised as being in the top 2% of top performing Councils nationally.
- 18 The role of Chief Officer will combine overview of all the Chief Officer's services with direct personal responsibility for the combination of services within their department. The Chief Officers will also adopt a common strategic approach in supporting the Council in meeting its medium to long term ambitions.
- 19 The practical changes that will be adopted to ensure a greater level of accountability is secured from each Chief Officer include:
 - Each Chief Officer reporting directly to the Chief Executive;
 - Transferring existing delegated authority that currently rests at Deputy Chief Executive level to the relevant Chief Officer; and
 - Alongside the Chief Executive the Chief Officers make up the Council's Management Team and are directly responsible for shaping and delivering on the Council's strategy.
- 20 Allowing for these changes it would be both difficult and financially unviable for the structure to accommodate a post of Deputy to the Chief Executive. By further exploiting the principles of empowerment it is envisaged that further capacity will be generated from the remaining service managers.
- 21 Two new roles of Head of Service are created within the structure, for Human Resources and Transformation & Strategy. These roles recognise the significant importance of the services they deliver to the future success of the Council. The post holders will report directly to the Chief Executive and support the Council's Management Team.
- 22 Set out at Appendix C is a summary of the services that it is proposed that each role in the proposed structure (set out at Appendix A) will hold responsibility for.

Appointment Process

- 23 The appointments process for each of the roles in the new structure has been determined taking the professional advice of the Council's HR Manager and that of the Council's Head of Legal & Democratic Services to ensure compliance with the requirements of the Council's Constitution.

- 24 For clarity, the post of Director of Community and Planning and Deputy Chief Executive will be deleted from the Council’s structure and the post holder will take voluntary redundancy. The cost of the redundancy will be met from the Reorganisation Reserve which is earmarked for such purposes.
- 25 The following posts will be assimilated in to the new roles of Chief Officer as follows:

Current Role	Assimilated To
Head of Community Development	Chief Officer Communities & Business
Head of Environmental & Operational Services	Chief Officer Environmental & Operational Services
Head of Housing & Communications	Chief Officer Housing
Head of IT & Customer Services	Chief Officer Corporate Support
Head of Legal & Democratic Services	Chief Officer Legal & Governance (Monitoring Officer)

- 26 The two remaining Chief Officer roles, those of Planning and Finance will be subject to competitive assimilation, this will include external competition. Under the current management structure both post holders have been strongly supported within their roles by the current Directors. Under the proposed structure the deletion of the Director posts will remove this level of senior support and makes it critical that the new Chief Officers of both Finance and Planning have the right skills, experience and knowledge to take on the challenges the posts will present without Director level support to their functions.
- 27 It is also the case that the role of Group Manager does not directly align with that of the Head of Service which is being assimilated. The necessity to advertise these posts externally provides the Council with the opportunity to ensure that it benefits from having the most suitable officer in post, with the qualities and qualifications to drive these key areas for the Council forward.
- 28 The existing Group Managers of Finance and Planning will be eligible to apply for the new Chief Officer posts. Should an external candidate be appointed the cost will be met from restructuring of the current service. If a service restructure is required it would be with a view to the new service structure being in place no later than 1 September 2013, and ideally much earlier. If required, any costs of redundancy will be met from the Reorganisation Reserve which is earmarked for that purpose.
- 29 The current Human Resources Manager, who reports directly to the Chief Executive Designate, will be assimilated to the new role of Head of Human Resources and report directly to the new Chief Executive.

- 30 The new role of Head of Transformation & Strategy will be subject to internal competition. As set out at Appendix C this new role will assume responsibility for the existing Policy and Performance and Communications services as well as Equalities. As a result the internal competition will be ring fenced to the existing Policy & Performance Manager and the existing Communications & Consultation Manager. If the Council is unable to appoint from internal applicants then the post will be advertised externally.
- 31 In light of the recent reduction in senior financial resource it is also proposed that a post of Financial Analyst is created within the Transformation & Strategy service. The cost of this post will be met from within existing budgets.

Service Restructures

- 32 Following the appointment of the Chief Officers the new Management Team will undertake a review of the remaining service structure to deliver sustainable service models that are equipped to address future issues and deliver high performing, customer focussed services. As part of ensuring the retention of staff, a limited number of new Heads of Service posts (designated from service managers) are likely to be introduced as part of this review. As with previous restructures at this level these will be implemented, under delegated authority, by the responsible Chief Officer or Head of Service, in consultation with the relevant Portfolio Holder, and agreed by the Head of Paid Service.
- 33 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 the service. It is also clear that any restructures will not inhibit the commitment to deliver the required £302,000 saving from senior management.
- 34 Members may also wish to note that the Council will review the level of Secretarial support required within the new senior management structure. In recognition of the project based and administrative support likely to be required by the new Chief Executive it is proposed that a new post of Project Support Officer & PA is created. In the first instance this post will be subject to internal competition and ring-fenced to the existing PA to the Chief Executive, PA to the Director of Community and Planning and the PA to the Director of Corporate Resources.
- 35 A review of the remaining Secretariat (including PAs) will be undertaken, with a view to reducing the overall cost of the service.

Consultation

- 36 In order to implement the senior management restructure and any subsequent service restructures the Council is required to undertake a formal consultation with those officers who will be directly affected by the proposal. The proposed restructure has been will also be discussed with UNISON who have no objections.
- 37 The consultation process will commence following the publication of this report and will end before close of office hours on 10 January 2013. The results of the consultation will be presented to Cabinet at their meeting on the 10 January.

- 38 A key focus of the consultation will be engagement with officers placed 'at risk' of redundancy. As a result of the proposals being put forward five officers will be placed at risk. These will be the Group Manager – Finance, the Group Manager – Planning and each of the PAs to the current Chief Executive and Directors.

Key Implications

Financial

- 39 The departure of both the Head of Finance & HR and the Head of Development Control earlier this year has already contributed £60,000 towards the £302,000 savings required from senior management. It is anticipated that the deletion of the two Director posts will exceed the savings target. Additional savings are also likely to be achieved from the review of the Secretariat. Any additional costs or enhancements of salaries for additional responsibility will be met from within budget to ensure that the on-going £302,000 savings target is met.
- 40 It is unlikely that the full £302,000 savings target will be met from 1 April 2013. However, it is anticipated that around £200,000 can be met from 1 April 2013 and the remainder following the implementation of the remaining restructure. It is hoped that, as far as possible, any budgetary shortfall in 2013/14 will be met from within budget.
- 41 In recognition of the additional duties, responsibilities and delegations the Chief Executive pay band will extend by a further two spinal points beyond the current post holders salary and, subject to job evaluation, two new Chief Officer pay bands extending to spinal point 74 will be introduced but will remain on the national terms and conditions
- 42 The redundancy costs associated with the restructure of senior management, and any shortfall in 2013/14, will be met from the earmarked Reorganisation Reserve that was approved by Council in February 2012.

Community Impact and Outcomes

- 43 None. The proposed service structure ensures that the Council remains focussed on delivering its vision and promises to the local community and ensures sufficient capacity to deliver high quality, customer focussed services.

Legal, Human Rights etc.

- 44 The Council has taken the professional advice of the HR Manager and the Head of Legal & Democratic Services to ensure proper practices are followed in the proposed restructure of the Council's senior management.

Resource (non-financial)

- 45 As a result of the proposal to restructure senior management three posts will be deleted from the Council's structure. The Director of Community and Planning and Deputy Chief Executive has offered to take voluntary redundancy. There is also the potential for two further FTE employees to be made redundant, subject to the outcome of the competitive assimilation process for the roles of Chief Officer Finance and Chief Officer Planning.

- 46 The proposals to review the level of Secretarial support required for the new senior management structure may result in further posts being deleted. On the basis of the current proposal to appoint a new Project Support Officer & PA to support the new Chief Executive it is proposed that three officers will be placed at risk of redundancy.

Value For Money

- 47 The restructure of senior management is directly linked to the Council's decision to deliver £302,000 of savings from its senior management positions. This decision was taken to protect the delivery of front line services, keep down increases in council tax and to deliver improved value for money to local residents.

Equality Impacts

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups?	No	Employees who may be affected by these proposals are not within any of the protected characteristic groups identified by the Equalities Act 2010.
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	Yes	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		Staff have known since December 2010 that significant savings are required to be met. The Reorganisation Reserve was made available to cover redundancy costs.

Conclusions

- 48 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.
- 49 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.
- 50 The structure is designed to ensure that the Council continues to benefit from the extensive experience of its current Heads of Service who have contributed significantly to the Council's success and provides the foundation for the Council to anticipate and shape its own future.
- 51 Importantly the proposed structure also delivers on the Council's commitment to save £302,000 from senior management costs as a contribution to the four year savings plan. All costs associated with the restructure will be met from within the Reorganisation Reserve which is earmarked for such purposes.

Risk Assessment Statement

- 52 Failure to implement a restructure of senior management will place the Council's ability to deliver the savings required within the four year savings plan at risk.
- 53 A period of consultation will be carried out that will enable the Council to identify any risks that may arise as a result of the proposed structure. The results of this consultation will be reported back to Members at the January meeting of Cabinet.

Appendices

Appendix A – Proposed structure chart

Appendix B – Current management structure

Appendix C – Management of services

Background Papers:

None

Contact Officers:

Dr. Pav Ramewal
Ext. 7298

Robin Hales
Chief Executive