

**REPORT OF THE SERVICE DIRECTORS FINANCE, INFRASTRUCTURE
AND IMPROVEMENT AND CUSTOMERS, GOVERNANCE AND
EMPLOYEES****CHIEF EXECUTIVE'S DEPARTMENT - SENIOR MANAGEMENT STRUCTURE****Purpose of the Report**

1. To seek approval of the management structure of the new department and the consequential staffing reductions and other actions required to implement the changes identified within the report.

Information

2. The financial challenges facing local government and the County Council remain. The Medium Term Financial Strategy (MTFS) approved in February 2018 indicated a funding shortfall of £54.2m over the next 3 years. In order to protect front-line services as much as possible corporate services have delivered significant savings and will continue to do so over the planning horizon. The vast majority of the costs of the new Chief Executive's Department is staffing and consequently any options for change to reduce costs will inevitably fall upon staffing structures.
3. Full Council on 22 March 2018 approved the creation of the new Chief Executive's Department and changes to the high level management of the County Council's corporate services. That report also included a recommendation for the subsequent review of the management structure of the new Department. The purpose of the review was to ensure that the structure of the new department is fit for purpose and provides value for money. This review was set against the principles of:
 - being customer focussed,
 - being modern and creative,
 - being efficient and effective
4. The reduction in high level management of the department brought together a number of functions. Within the current structure there are a number of anomalies that require addressing, such as:
 - a. Ensuring appropriate spans of control and reporting lines
 - b. Coherence and synergy of service delivery
 - c. Rationalisation and removing duplication of functions

5. This report sets out proposals for the senior management structure of the two divisions of the new Chief Executive's Department, as it develops and implements a new operating model at the Corporate Centre of the Council.

Finance, Infrastructure and Improvement Division

6. Following consultation with staff, the recognised trade unions and colleagues across the Council it is proposed that the management structure in this division is reduced from 8 to 6 Group Managers. The proposed and current structures are set out in Appendices A and B.
7. The significant changes are as follows:
 - a) The creation of a strategic service offer that brings together the core financial and performance governance arrangements, such as audit, governance of our transformation and high governance programmes together with Risk and Insurance and Performance Management disciplines under one line management of Assurance. Together these provide the core assurance to the authority on finances, risk, transformation and performance.
 - b) Grouping the remaining financial services, including pensions and treasury management, under one Group Manager for Financial Services providing the necessary oversight of the Medium Term Financial Strategy and the financial management support provided across the Council. The reduction in the time allowed for preparation of the statutory accounts has driven much closer working between strategy, compliance and financial management functions. This Group Manager would become the statutory Deputy Section 151 Officer.
 - c) Procurement and Contract Management would remain as a key service driving change and improvement in procurement and commissioning activity across the Council. An area of work that the Council needs to improve is the management of contracts. Consequently, with the support of Corporate Directors the remit of this Group will expand in order to strengthen the support provided to these important and highly skilled resources with the aim of improve outcomes and drive efficiencies.
 - d) A well performing Transformation and Change function is vital to the delivery of the Council Plan, Departmental Strategies and transformation of services to deliver savings and responding to legislative changes. Consequently, a core offering supporting departments in the delivery of their programmes is required. As the enabling function supporting ICT and business change it would appear consistent to bring these two disciplines under the management of one Group Manager. This will better reflect aspirations to drive and support transformation on behalf of the Council and better reflect the wide range of skillsets embedded within the team such as Portfolio, Programme and Project Management, Technology Partners, Business Analysis, Data Analysis, Deployment Specialists and Project Management Office support. The responsibility for driving improvements from our investment in the business reporting management information system (BRMI) will remain with this group.

It is also intended to include support to departments in developing and supporting their commercial strategies within this Group.

- e) The ICT Design Group and the ICT Operational Delivery Group would change slightly to reflect the move of Change and Engagement functions. Further changes to these functions would await the journey to the cloud operating model review.
- 8. In addition, the bringing together of ICT and the Programme and Project Groups, combining the two enabling services of ICT change management and business change management, has provided the opportunity to review the Council's approach to management of change and transformation. Consequently a review of the Council's approach has been commissioned in order to set the framework, function and define the new operating model for the management of the Council's future transformation and change programmes. This will be the subject of a further report to members.

Customers, Governance and Employees Division

- 9. The Customers, Governance and Employees Division is made up of the following areas of service:
 - Human Resources
 - Health and Safety
 - Customer Services
 - Business Support
 - Business Service Centre
 - Legal and democratic services
 - Complaints and Information Governance
 - Communications and Marketing
 - Design, print and document management services
 - Equalities
- 10. Some of these service areas (for example, business support) already have ongoing savings and transformation programmes underway for the current and next two financial years. New service models and structures are also under development in HR, Workforce and Organisational Development (HR, W&OD) to implement an integrated structure under one Group Manager; following deletion of the other Group Manager post from April. This will enable better integration of workforce planning, organisational and workforce development activity with day to day HR support. This is reflected in a new more flexible and agile service offer which has been agreed with departments.
- 11. Responsibilities for the corporate equalities lead have transferred from the Policy and Performance Management team in the previous Corporate Services structure to the Customers, Governance and Employees Division of the new Chief Executive's Department. There is 1fte post currently undertaking this work across the Council. This post, post holder and any associated budgets to support this work will transfer to the HR, W&OD team and be integrated within the work of this team. This will be included in the work currently underway within the service area to identify further opportunities for greater alignment of activities to ensure that

equalities is consistently embedded in day to day advice, support and service delivery.

12. An external review of the Communications, Marketing and Document Services functions has been commissioned. The scope of this review includes looking at the current approach, strategy, operating models and structures; consideration of the Council's future needs and priorities; comparison with best practice in this area and benchmarking with other organisations where appropriate. Further, more detailed proposals will be presented to Policy Committee on the findings of the review. It is anticipated that savings in the order of 25 to 30% will be delivered by the implementation of recommendations arising from this review process.
13. The proposed senior management structure for the Customers, Governance and Employees Division is set out in Appendix C. This reflects the previous deletion of the post of Group Manager HR and Service Director Communications. The new structure proposes an integrated Communications function including Communications, Marketing, Digital, Design, Print and Document Services. In doing so the structure combines three existing Group Manager posts to create one integrated Group Manager role for the whole of the Communications, Marketing and Document Services functions.
14. In order to be able to implement the review findings and deliver savings it is important to appoint to the new post of Group Manager, Communications. It is proposed to appoint to this post as soon as possible to continue to provide professional and technical expertise in this service area to support service delivery day to day and ensure the effective development and roll out of the new model and structure.
15. The remaining Group Manager posts will transfer to the new Customers, Governance and Employees Division of the Chief Executives Department as set out in Appendix C. Further reviews will be undertaken on a service by service basis to ensure that services reflect changing organisational requirements, deliver further savings and new structures and operating models as necessary. Any proposed changes will be reported to the relevant Committee for approval.
16. Staff and trades union colleagues are aware of the proposed high level Group Manager structure and the approach to the review and will be engaged in more detail in the process as set out in the report.

Other Options Considered

17. A number of alternative options for the Finance, Infrastructure and Improvement Division have been considered, the alternatives were discounted because they were not considered sufficiently radical in their approach given the Council's current financial circumstances or would jeopardise major ICT developments such as the Journey to the Cloud Programme.
18. The option of making no change at this stage to the senior management structure of the Customers, Governance and Employees Division was considered.

However, it was felt that this would not provide sufficient support at the right level to undertake the Communications review and continue to deliver day to day activities and would result in a delay in the implementation of the findings of the Communications review.

Reason/s for Recommendation/s

19. To ensure that the County Council's corporate services functions remain effective and efficient and are reconfigured to meet organisational and service priorities and enable organisational change whilst reducing costs.

Statutory and Policy Implications

20. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

21. The MTFS already includes a savings option of £250,000 (£50,000 in 2019/20 and £200,000 for 2020/21) for the ICT budget in anticipation of a change to the operating model post the journey to the cloud. Consequently, a review of the ICT operating model is required. The timing of this review should coincide with the completion of the cloud transfer in order to minimise any potential disruption to this major ICT programme. In order to ensure ICT continues to be fit for purpose preparation for an external review of the ICT operating model will be scoped now with the aim to commission and complete this work in mid-2019. The new operating model for ICT should be implemented by January 2020.
22. The structure proposals set out in this report in the Finance, Infrastructure and Improvement Division will reduce the number of Group Managers from 8 down to 6 with anticipated savings of £180,000 in a full year, depending on any grading implications.
23. As mentioned above in paragraph 12, it is anticipated that the external review of the Communications function will deliver savings of between 25 and 30% of the total budget. Work is ongoing in the remaining functions within the division to meet existing identified saving targets or to consider how further efficiencies can be made. Any further savings proposals from within the Customers, Governance and Employees division will be submitted to Personnel Committee for approval.

Human Resources Implications

24. The proposals will streamline the senior management arrangements for the Chief Executive's Department and present a further opportunity for additional savings to be made across the revised structure. The specific detail of this further work will be undertaken by the newly appointed Group Managers. The County Council's agreed employment processes will be used at all stages.

RECOMMENDATION/S

That Committee approve the new structure for the senior management structure of the two divisions of the Chief Executive's Department as set out in the body of the report and Appendices A and C.

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Constitutional Comments (SLB 08/10/2018)

25. Policy Committee is the appropriate body to consider the content of this report.

Financial Comments (SES 09/10/18)

26. The financial implications are as set out in paragraphs 21, 22 and 23.

HR Comments (GE 4/10/18)

27. The HR comments are included within the report. The implementation of the recommendations will be undertaken in accordance with the Council's agreed employment policies and procedures including consultation good practice, enabling, redundancy and redeployment. Staff and trades union colleagues will be involved in any service reviews referred to in the report and have the opportunity to contribute to the reviews. The implementation of the findings of the Communications review will be the subject of formal consultation with staff and trades union colleagues and will follow the agreed procedures and timescales as outlined above.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All

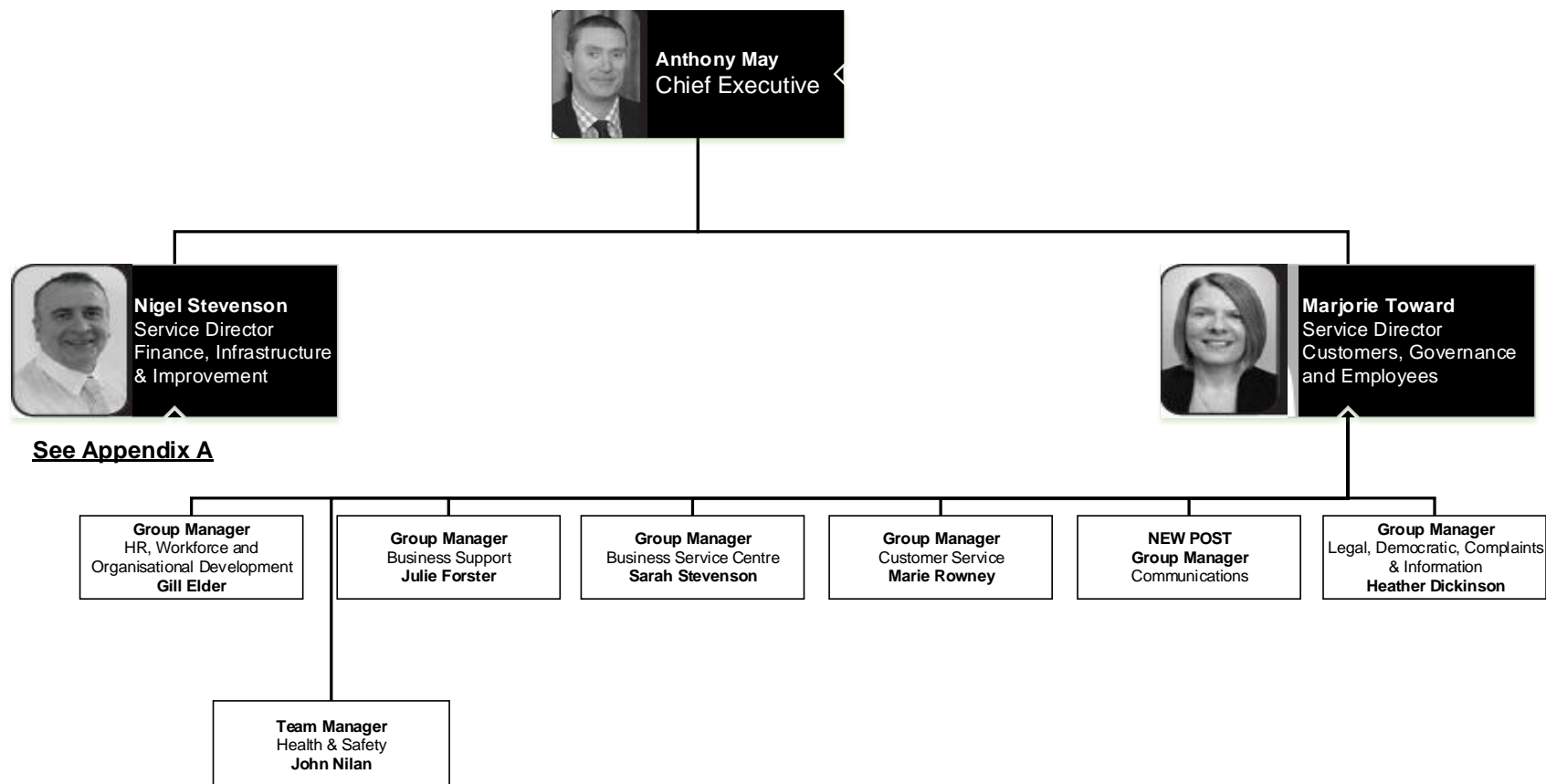
Proposed Structure

Financial Services Group	Financial Strategy & Compliance Financial Management Pensions & Treasury Management
Assurance Group	Internal Audit Risk & Insurance Programme Assurance Performance, Intelligence & Information Management
Procurement & Contract Management Group	Procurement Contract Management Support
ICT Design Group	ICT Architecture Technical Design & Build
ICT Operational Delivery Group	ICT Infrastructure Service Management Schools and commercial services Service Support (inc. Service Desk)
Transformation & Change Group	Change and Engagement (ICT) Department Programmes & Projects Corporate Programmes & Projects Data Analysts BRMI PMO

Current Structure

Financial Management Group	Financial Management
Financial Strategy & Compliance Group	Financial Strategy & Compliance Pensions & Treasury Management Risk & Insurance
Internal Audit Group	Internal Audit
Performance & Improvement Group	Programmes & Projects PMO Performance, Intelligence & Information Management Data Analysts BRMI
Procurement Group	Procurement
ICT Design Group	ICT Architecture
ICT Operational Delivery Group	ICT Infrastructure Service Management Schools and commercial services Service Support (inc. Service Desk)
ICT Build, Change & Engagement Group	Change and Engagement (ICT) Technical Design & Build PMO

Appendix C – Proposed Structure



**Nottinghamshire
County Council**

**Chief Executive's Department
Structure Chart**