



# report

meeting	County Council	
date	6 April 2006	agenda item number

## **Report of the Leader of the Council**

### **Designing the Future – proposals for the senior management structure of the County Council**

#### **1 Purpose**

1.1 The purpose of this report is to seek:

- a) approval of the future chief officer and departmental structure;
- b) approval to integrate resources services under the director of resources;
- c) endorsement of the proposed second stage of the senior management structure for consultation; and
- d) approval of the proposals for managing the further development of the new structure.

#### **2 Proposed chief officer and departmental structure**

2.1 At its meeting on 19 January 2006, the County Council considered a range of options for the future senior management structure of the Council and endorsed the following options for consultation:

- a) The adoption of a 'strategic director' model, whereby cross-cutting responsibilities would be distributed between directors and supported by the chief executive's department;
- b) The creation of four strategic director posts with responsibility for children's services, adult social services, communities and resources.
- c) That the chief executive's role be developed to incorporate the leadership of our partnership policy at a strategic level;
- d) That the executive head of democratic and legal services post be re-designated as a second assistant chief executive post; and
- e) That all finance, property, human resources and ICT services be integrated under the director of resources.

2.2 The consultation period closed on 13 March 2006. 74 responses were received and the key points raised were:

- *There will be a negative impact on employee morale.* Unfortunately, this is inevitable during a period of major change. We will seek to keep employees fully informed throughout and to involve them in the changes, to minimise the effect of this.
- *There is too much focus on civic leadership rather than service delivery.* We are seeking to develop an appropriate balance between the two models of local authority.
- *There are concerns about the impact of centralising finance, ICT, HR and property services.* It is recognised that there are risks attached to this move. We will seek to learn the lessons from previous experience and involve employees and customer departments in the integration process to minimise the impact on service provision.
- *There were a number of questions about the future of specific teams and services.* The initial proposals that were put out for consultation covered the broad shape of the new departments only and were not intended to cover every team and service.
- *There are major concerns about the loss of jobs and a reduction in service delivery.* Whilst we recognise these concerns, the scale of budget reductions is manageable within the overall resources available to us.
- *There was a wide range of comments concerning the need to restructure and the cost of doing so.* We need to recognise that the government's agenda and the legislation it generates is a key driver for the Council and, whilst we can seek to influence that agenda, to ignore it would damage the interests of the Council and the citizens it serves.
- *There were concerns about the process for implementing the changes.* A draft process is included in this report and will be the subject of consultation.
- *The name 'adult services' is too easily open to ridicule.* It is proposed that the name of that department will be 'adult social services'.

2.3 In addition, there were a number of responses that were broadly supportive of the proposals and recognised that they represent an opportunity for improving the way the Council operates.

2.4 It is proposed that the chief officer structure, comprising the chief executive and four strategic directors having responsibilities for children and young people, adult social services, communities and resources, be approved. This structure is set out in a chart at Appendix A.

2.5 It is proposed that all finance, property, human resources and ICT services be integrated under the director of resources. As a first step towards achieving the integration, all assistant directors with responsibility for resources functions in service departments will be

accountable to the director of resources for those functions, with effect from 1 May 2006.

### **3 Proposed senior management structure**

- 3.1 During the consultation period, work has been progressing on developing the next levels of the senior management structure. This work has had due regard to the proposed changes at chief officer level, along with the budget proposals approved by Council on 23 February 2006, which provided for a £1m reduction in the cost of the top-level management structure.
- 3.2 Proposals have been moderated by the chief executive, in consultation with elected members and external advisors, against a number of principles that are set out at Appendix B.
- 3.3 In outline, the proposal is to create 18 service director posts, reporting to the four strategic directors, with two assistant chief executives reporting to the chief executive. Service director posts will have wider responsibilities than current assistant director posts, with more direct accountability for the services under their control. They will be supported by 72 heads of service, each of whom will be responsible for the day to day operation of a group of services.
- 3.4 Appendix C sets out the proposed senior management structures for each of the new departments, with a broad outline of the specific responsibilities under each service director. Work on the heads of service level for the chief executive's department is still ongoing and the proposals for that department will be published for consultation separately.
- 3.5 An outline of the proposed roles of strategic directors, service directors, assistant chief executives and heads of service is set out at Appendix D.

### **4 Making appointments to the new structure**

- 4.1 The initiation of national recruitment exercises for the two strategic director posts responsible for children and young people and for adult social services has previously been authorised by the chief executive, in consultation with Cabinet Members. It will be necessary to put in place an 'enabling process' to provide for appointments to be made to the remainder of the structure.
- 4.2 A draft process has been prepared. It is intended that this process will apply consistently at all levels of the restructuring and that it will seek to preserve employment as far as possible and minimise unnecessary

competition, whilst complying with employment legislation, the requirements of the Council's constitution and the principles of equality of opportunity set out in its recruitment and selection policies. This process will now be the subject of formal consultation with the recognised trade unions and will be published as soon as possible following that consultation.

## **5 Managing implementation**

- 5.1 The restructuring will impact on all areas of the County Council and the detail of the structure will be developed in stages and implemented over a period of time. The chief executive has started to put in place arrangements for the effective management of this programme of activity. These include establishing the corporate management board as the overall programme board, with the appointment of a programme manager to support their work.
- 5.2 An overall programme plan has been developed and a number of projects are being initiated to implement the new structure and the associated budget reductions that were approved by Council on 23 February 2006. Detailed project plans will be developed over the coming months.
- 5.3 The chief executive has constitutional authority to make changes in the Council's staffing structure. Having confirmed the overall shape of the new structure, it is proposed that the County Council authorises the chief executive to exercise that authority in respect of approving further changes to the structure, in consultation with appropriate elected members, and in making arrangements for appointments to be made to that structure in accordance with the relevant requirements of the Council's constitution.

## **6 Consulting on the proposals**

- 6.1 The decisions taken by Council about the proposed senior management structure referred to at recommendation c) will need to be the subject of consultation with stakeholders. This will include formal consultation with the recognised trade unions. Consultation will take place over a period of four weeks and the outcomes will be reported to the chief executive, who will take them into account in approving the proposals for implementation.

## **7 Statutory and policy implications**

7.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, Crime and Disorder, Human Rights and those using the relevant service. Where such implications are material, they have been described in the text of the report.

## **8 Recommendations**

8.1 It is recommended that Council:

- a) approves the future chief officer and departmental structure;
- b) approves the integration of resources services under the director of resources;
- c) endorses the proposed second stage of the senior management structure for consultation; and
- d) approves the proposals for managing the further development of the new structure.

**Councillor David Kirkham  
Leader of the Council**

### **Legal Services' comments**

The Chief Executive has constitutional authority make changes in the staffing structure. The Constitution set out the process for planned changes as follows:-

Chief Officers will consider the need for staffing changes as part of business planning processes. Any planned changes to numbers, structures and grades should be proposed in the annual Staffing Budget, where possible.

Trade unions will be consulted on all changes with adequate opportunity for any views to be fully considered prior to decisions being made.

Details of decisions will be maintained on the County Council's Decision Record. Once decisions have been approved in this way, chief officers will ensure that departmental establishment records are updated at the earliest opportunity.

In addition the Constitution specifies that the designation of posts and post titles are to be determined by the Chief Executive, Chief Officers and his nominees.

(See paragraphs 3.1 and 5.1 of the Employment Procedure Rules, Constitution of Nottinghamshire County Council part 4, page 4/145 and 4/146.)

The Chief Executive therefore has constitutional authority to establish and designate the senior officer posts and in addition the Chief Executive can make appointments from among existing Chief Officers.

In addition to the constitutional and legal requirements which regulate the establishment of new staffing structures, the legal and constitutional requirements relating to consequential staffing issues (including appointments, redeployments and dismissals by way of redundancy) which arise out of the restructuring, including the implementation of the enabling process, must be followed and where appropriate legal advice should be sought. [EB 22.03.06]

**Director of Resources' financial comments**

The County Council's budget for 2006/07 includes a targeted saving of £1million from changes to the senior management structure. Assessments have been made of the costs of the revised structures and it is expected that savings of the order of £1million will be achieved in a full year. However, the process of appointing and assimilating staff to the new structures will be taking place during 2006, and so there may be a temporary shortfall against the targeted saving in 2006/07, which will have to be managed within the overall financial resources of the Council. [PH 22.03.06]

**Background papers available for inspection**

19 January 2006 County Council report – Designing the Future

**Electoral division(s) affected**

All