

REPORT OF THE CHIEF EXECUTIVE

REVIEW OF SENIOR MANAGEMENT STRUCTURE

Purpose of the Report

1. To seek approval for an interim senior management structure with effect from 1st September 2015.

Information and Advice

Background

2. Redefining Your Council sets out the potential impact on the Council's financial position as the Government seeks to eradicate the financial deficit; with funding to unprotected areas such as local government likely to be reduced significantly further. The key impacts on the Council include:
 - Further reductions in Government funding
 - Legislative changes such as the Care Act where it is unclear whether the impact will be fully funded by Central Government
 - The Supreme Court ruling in relation to Deprivation of Liberty Safeguarding which significantly increases demand for assessments
 - Higher than expected demand for our services particularly those protecting the most vulnerable in society
 - The unknown impact of the emerging devolution agenda
3. The main purpose of Redefining Your Council is to ensure that there is a clear and unified vision about which services will continue to be provided and to provide a strategic framework and mechanisms for transformation to ensure that this takes place in a way that protects and promotes the core values within the Council's Strategic Plan.
4. Redefining Your Council also committed the Council to a review of its senior management structure to realign it with the Council's core values and transformation portfolios as set out in the Redefining Your Council document.
5. Therefore, a review of the senior management structure has been undertaken to ensure that a structure is put in place which is fit for purpose in the short term; enables the Council to meet its key aims and objectives and assists with securing better outcomes for local people. The structure also needs to reflect where the Council is currently on its transformation journey and our assumptions about the future of the Council.

6. The previous organisational redesign exercise resulted in senior management posts being reduced by 220 fte and generated savings of around £12m. The current round of options for change which are being delivered identified approximately a further 70 fte management post reductions. The impact of these reductions is restricted capacity in some key areas, such as Adult Social Care and Health, to manage both day to day activity; transformation and re-shaping of services and to meet new responsibilities such as the Care Act. In order to continue to maintain momentum, the Council will need to retain the capacity to deliver significant potential change in the short to medium term as we move through an era of unprecedented financial challenge and change.
7. Given the degree of uncertainty and challenge facing local government it is proposed that this is an interim structure with a further review taking place in twelve months' time. This will form part of a new business case which will be developed identifying further senior management savings across the Council. This will include future potential reductions in posts to reflect alternative service delivery models, the changing shape and size of the Council and unifying management terms and conditions. For example in Public Health and those on Soulbury grades.

Proposals

8. Our assumptions about the future of the Council which have shaped the proposals for the interim structure include:
 - Provision of front line services on a locality basis so that they are closer to the communities we serve
 - Place and resource based services organised on a functional basis to maximise economies of scale; ensure greater efficiency and make best use of the interdependencies
 - A greater focus on commissioning of services where others can provide the service more effectively
 - The need to work more closely with key partners and stakeholders including other Councils and Health
 - Recognition of the potential impact of devolution of powers from central to local government; although the impact of this is not yet fully understood
 - Recognition of the potential impacts of key legislation and government policy such as the Care Act and integration with Health
 - Recognition of the increased regulation of children's and adults services
9. A set of guiding principles have been used to undertake the review to ensure that the proposed interim structure:
 - Reflects Redefining Your Council
 - Provides value for money
 - Demonstrates a consistent approach to job roles, levels and reporting arrangements
 - Logically groups functions and/or services together to ensure jobs are coherent
 - Helps secure better outcomes for local people
 - Works towards one set of terms and conditions

- Exceptions to the above principles may be considered but the case for exception must be clear, logical and evidence based
10. The scope of the review is Chief Executive to Group Manager level.
11. The revised structure charts are set out in Appendix A. There are four departments in the proposed new structure each headed by a Corporate Director:
- Adult Social Care, Health and Public Protection
 - Children's, Families and Cultural Services
 - Place
 - Resources

Adult Social Care, Health and Public Protection Department (ASCH&PP)

12. The proposed structure reflects the current Adult Social Care, Health and Public Protection Department with the significant addition of Public Health functions to ensure more effective alignment and integration of activity. The Director of Public Health will be managed by the Corporate Director with a dotted line responsibility to the Chief Executive to reflect the terms of transfer of this post to the Council and will remain a member of the Corporate Leadership Team.
13. The Public Health function transferred to the Council in April 2013 and was initially a stand-alone unit with posts and responsibilities remaining broadly the same as at the point of transfer. In the proposed interim structure this function will become part of the Adult Social Care, Health and Public Protection Department. A new more streamlined management structure will be developed for the Public Health function to reflect significant further reductions in government funding in year; ensure effective delivery of the Public Health Vision; support further integration of health and social care activities and to align the structure with the rest of the Council. This will include unifying management terms and conditions of employment. This work will be undertaken and a new structure agreed by autumn 2015.
14. It is proposed that Community Safety and Trading Standards functions remain part of this department to reflect the wider synergies with Adult Social Care and Public Health and the preventative agenda.
15. There are three proposed Service Director posts more closely aligned to local health service planning areas (Mid Notts, South Notts and Bassetlaw) to support closer working and integration with health and ensure sufficient capacity at a senior level. In the future these posts will be directly aligned with the health planning areas but following representation by managers in the service, as an interim arrangement, the Newark and Bassetlaw teams will remain together as one area with Mansfield and Ashfield forming the second area. The third Service Director will be responsible for the South Nottinghamshire area and public protection activities.
16. The proposed fourth Service Director post will focus on the increasingly important areas of strategic commissioning and market management. In order to maintain sufficient focus on transformation; a temporary post of Transformation Director will have oversight and manage transformation activity within the new department.

Children's, Families and Cultural Services Department

17. This department will include services for children and their families and cultural services. It is proposed that Cultural Services remain within this department in the interim structure to continue to reflect the synergies with other outward facing and customer focussed services and to help mitigate the impact of significant change and transformation already underway for these services.
18. The proposed interim structure broadly reflects the current structure; once the impact of existing business cases is taken into account.
19. In the interim structure the integrated commissioning hub for children's services, where posts are currently formally part of the public health structure, will continue to have a dotted line responsibility to the Director of Children's, Families and Cultural Services.
20. Following the Cultural Services Trust becoming effective from 1st April 2016 it is envisaged that the post of Group Manager Libraries, Archives and Information will transfer to the new organisation. There will be a small client management function retained within the Council within the existing structure.
21. The business support function for the current adults and children's departments is currently managed by the Service Director Education, Standards and Inclusion. It is proposed that this function widens its remit to become a council-wide business support service and transfers to the new Resources Department where it will form part of an integrated approach with other business support and transactional activity.

Place Department

22. A new Place Department is proposed including areas of service previously in the Environment and Resources Department and some areas of activity which were previously part of Policy, Planning and Corporate Services.
23. The proposed new department will provide a focus on services such as Highways as work continues to transfer them to new arrangements. The structure for the Highways Division reflects the interim position pending the establishment of the new joint venture with Cormac in April 2016. The existing Service Director post has been appointed to on a temporary basis with this in mind and will be reviewed April 2016. At the point of the new entity being created it is envisaged that some of the Group Manager posts will be transferred to the new organisation under TUPE arrangements. A retained client function, led by a group manager level post, will need to be created within the Council to closely manage and monitor contract performance by the new organisation.
24. The Fleet Management and Fleet Maintenance teams are currently managed at team manager level and sit within the responsibility of the Group Manager Transport. Fleet management and maintenance activities will also transfer to the new joint venture.
25. A new temporary post of Programme Director Economic Development and Devolution is proposed within this department to provide more capacity at a senior level to drive the agenda around Combined Authorities; joint working with other Councils and devolution of

powers from central to local government. Given that it is unlikely that the impact of this will be fully realised until 2016/17; it is proposed to establish this post on a temporary basis.

26. It is proposed that Planning, Voluntary and Community Services functions will become part of the new Place Department.
27. In the proposed structure, responsibility for the County Supplies function will transfer from the Service Director ICT to the Service Director Environment, Transport and Property to sit alongside a range of other traded services.

Resources Department

28. A new Resources Department is proposed which brings together the Council's support and enabling functions in one place by combining elements of the former Environment and Resources and Policy, Planning and Corporate Services Departments. The Corporate Director for this department will be tasked with creating a vision for the future of support and enabling services in the light of the changing landscape of local government and the changing nature of the Council.
29. In the proposed interim structure; finance, performance and improvement are brought together within the remit of the Section 151 Officer's post. This will ensure closer working between inter-dependent activities; stronger performance management and provide greater visibility and assurance in the delivery of change and transformation.
30. All corporate business support and transactional activities, processes and systems across the Council will be brought together under the Service Director Customers and Human Resources to ensure greater efficiency and consistency of approach across the Council.
31. Where changes are required to departmental structures during the period of the duration of the interim structure; these will be considered by specific Service Committees.
32. Managers may wish to review structures below group manager level to align them with the senior management structure and ensure efficiency and effectiveness of future service delivery whilst maintaining capacity to continue to deliver change and respond to the challenges facing the Council. Any proposed changes will be considered by Service Committees.
33. Job descriptions and role descriptors are currently under development for new posts and where posts have significantly changed and will be used to evaluate the grades for these posts using the Hay methodology. Job descriptions will also be required for the enabling process. Consultation on specific job descriptions will take place at departmental level.

Consultation

34. Consultation on the proposed interim structure has taken place with managers affected by the proposals. The proposals were shared with managers by the Chief Executive at an Extended Leadership Team meeting on 17th June 2015 and staff were offered the opportunity to ask questions and raise any issues. Managers were also able to raise issues or make comments via their line management structures and in writing via email.

35. A consultation meeting took place with the Chief Executive and the recognised trades unions on 15th June when trades union colleagues were invited to comment on the proposed structure. Trades union colleagues were also able to submit comments via email and were asked to comment on the draft Policy Committee report. Trades union colleagues indicated that they understood the rationale for the structure and asked to be kept informed at an early stage of any further planned restructuring and as any alternative methods of service delivery are considered.
36. The proposals have also been made available to the wider staff group for comment via the intranet.
37. Individual responses have been provided to the feedback and comments received from the Chief Executive. Feedback and comments made as part of the consultation process have been reflected in the proposed interim structure where appropriate.
38. At a high level there appears to be general support for the proposed approach which people who responded generally felt was clear, logical and pragmatic. However, a number commented on the levels of uncertainty and continued change which staff are facing and the need to ensure that this is effectively managed both operationally and at a corporate level.
39. The area which received the highest level of feedback and comment were the proposals for Adult Social Care Health and Public Protection. There was broad support for retaining capacity at Service Director level and for the broad direction of travel in terms of greater alignment with health. Colleagues working in these areas provided detailed feedback on the proposals at group manager level, and potential impact at Team Manager level, in relation to the Bassetlaw and Newark teams specifically and the capacity and proposed arrangements in relation to older and younger adults services. It has been agreed that the current arrangements will continue in the interim in these specific areas as a transition arrangement between the previous and proposed new structure for the future. The structure chart has been revised to reflect these changes.
40. The second highest level of comments related to the Place department. A small number of colleagues commented that they felt an opportunity was potentially being missed to brigade a wider range of services together. Whilst this may well ultimately be the direction of travel in the medium to longer term; on balance it was not felt that this is the best course of action at this point in time. This is due to the level of change and the fundamental nature of some of the changes which are currently underway in some of these areas. For example, new operating models are under development in both the Highways and Cultural Services areas for implementation in the next couple of months. These new models need to be operational before the best structure for the retained commissioning and client management functions and how these might fit within a wider range of place based services and the overall structure of the Council are considered.
41. There was broad support from people who responded to the consultation in relation to additional capacity in the economic development arena. Colleagues working in this area also felt that more detail was required on the role of Programme Director, Economic Development and Devolution and how this would fit with existing resources working in this area. Work is currently underway to develop the role descriptor and job description for this post which will be the subject of further discussion with colleagues.

42. There were a number of comments in relation to job titles which have been reflected in the structure charts which are attached as Appendix A for approval.

Implementation

43. It is proposed that the new structure will be effective from 1st September 2015. However, if it is possible to implement some changes before this date the opportunity will be taken.

44. The structure will be populated using the Council's existing enabling process and in line with the Council's constitution for more senior posts.

45. The Council will minimise the potential for uncertainty for staff and ensure effective service continuity by undertaking this process as quickly as possible.

Other Options Considered

46. A range of different options have been considered; including more radical options with reduced numbers of management posts. However, on balance, it is necessary to retain sufficient capacity in the short term to drive through the change and transformation necessary to enable delivery of greater levels of savings and change in the future. The levels of uncertainty following the election of a new government and the continued reduction in levels of government funding mean that it is inevitable that further savings will be required but at this point it is difficult to predict exactly what these will be. An interim structure will allow for the implementation of a number of key transformation programmes and for us to model and predict future demand and funding levels.

Reason for Recommendations

47. To ensure sufficient leadership capacity to deliver change; meet key aims and objectives and secure better outcomes for local people in the short term. The interim nature of the structure reflects the Council's position on its journey of transformation and will allow some key programmes of activity to come to fruition before making further decisions on the size and shape of the Council. It also reflects a high degree of uncertainty; reducing government funding; legislative changes and increasing demand for services and will give the Council the opportunity to assess the potential impact of these for future service delivery.

Statutory and Policy Implications

48. This report has been compiled after consideration of implications in respect of crime and disorder, 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, sustainability and the environment and ways of working 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

49. Costing of the interim structure compared to the previous structure indicates that the proposed interim arrangements, whilst providing some additional capacity in key areas, are broadly cost neutral.

Human Resources Implications

50. The implications for employees are set out in the main body of the report and the Appendix. Employees affected by the proposals and the recognised trades unions have been consulted on the proposed structure and comments reflected in the interim structure as appropriate. The new structure will be implemented using the Council's agreed policies and procedures.

Public Sector Equality Duty implications

51. All processes will be undertaken in accordance with Council policies and procedures which reflect the Council's statutory duties in respect of employees with protected characteristics.

Implications for Service Users

52. The proposed interim structure seeks to better align key service areas within the Council and across key partners and ensure delivery of front line services closer to communities to ensure improved outcomes for local people whilst demand for services is increasing and funding from central government is reducing.

Ways of Working Implications

53. The Corporate Leadership team will be modelling new and smarter ways of working in terms of use of accommodation and technology when the new structure is implemented. This will be cascaded through the management tiers.

RECOMMENDATIONS

1. That the proposed interim senior management structure for the Council as set out in Appendix A is agreed with effect from 1st September 2015.
2. That a further report is brought back to Policy Committee in 12 months' time.

Anthony May
Chief Executive

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Constitutional Comments (SLB 01/07/2015)

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

Financial Comments (NDR 01/07/15)

55. The financial implications are set out in paragraph 42 of the report.

Human Resources Comments (CLG 1.7.15)

56. These are set out within the body of the report.

Background Papers and Published Documents

- Response to consultation
- Trades union comments

Electoral Division(s) and Member(s) Affected

- All