

<b>EMPLOYMENT COMMITTEE</b>	AGENDA ITEM No. 3
<b>22 JANUARY 2015</b>	PUBLIC REPORT

Contact Officer(s):	Gillian Beasley, Chief Executive	Tel. 452390
---------------------	----------------------------------	-------------

## SENIOR MANAGEMENT RESTRUCTURE – PHASE TWO

<b>RECOMMENDATIONS</b>	
<b>FROM : Chief Executive</b>	
<p>It is recommended that the Employment Committee:</p> <ol style="list-style-type: none"> <li>1. Considers the changes to the senior management structure proposed by the Chief Executive</li> <li>2. Recommends any appropriate actions in response to the proposals prior to implementation by the Chief Executive under her delegated powers</li> </ol>	

### 1. PURPOSE AND REASON FOR REPORT

- 1.1 The purpose of this report is to inform Employment Committee of the proposals for phase two of the senior management restructure as well as the outcomes of the consultation held in respect of these proposals. The Chief Executive has the delegation at 3.13.2(g) of officer delegations to action these proposals subject to the Employment Committee's delegation at 2.3.1.5(a) of its terms of reference to consider and recommend actions where necessary in respect of these proposals.

### 2. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If Yes, date for relevant Cabinet Meeting	<b>N/A</b>
---	-----------	---	------------

### 3. BACKGROUND

- 3.1 Attached at Appendix 1 is the consultation document which was published on 21 November 2014 and explains the background to the proposed changes.
- 3.2 The proposals follow on from the first senior management restructure which was implemented on 1 November 2013 with a commitment to bring forward a second phase at an appropriate time.
- 3.3 Since the implementation of the restructure progress has been made as follows:
- Commissioning for adult social care, communities, public health and children has been brought together with a financial saving of £1m;
  - A joint venture company has been set up to begin the regeneration of the South Bank;
  - Ofsted have inspected the Council's school improvement services which were found to be effective;
  - Child sexual exploitation is being tackled robustly and further improvements are in progress in children's safeguarding.

- Significant progress is being made in transforming adult social care services since their transfer back from the primary care trust.
- 3.4 The progress made allows the second phase of restructuring to commence safely which will reduce the number of senior managers further, thereby offering the Council financial savings as well as embedding further the Council's approach to commissioning.
- 3.5 In essence the proposals seek to achieve the following:
- Bringing together the Communities, Children's Services and Adult Social Care functions into one directorate, headed by a Corporate Director: People and Communities, which will also be the Council's Statutory Director of Children's Services and Adults Services. By strengthening the leadership below this post, it will enable both commissioned and managed services to adults and children to be brought closer together which will be both more cost effective and will also deliver improved outcomes for children and adults.
  - Devolution of the client management function to appropriate services within the Council as relationships with our main strategic partners have matured and are more secure. The consultation document outlines which services will take over the client management function. The overall accountability of these client arrangements will, however, still rest with the Corporate Director: Resources to maintain a single oversight and accountability for these partnerships. These changes mean that the Assistant Director Strategic Commissioning and Transformation role is no longer required and will be deleted.
  - The creation of a new role of Assistant Director: Digital Services to lead the work on the new ICT strategy and the "Gigabit City" initiative, situated within the Commercial Group within the Resources Directorate. As a consequence of this, the post of ICT Strategy, Infrastructure and Programmes Manager will be deleted.
  - The management and governance arrangements for the soon to be created Limited Liability Partnership have become clearer and the company will be supported by the Corporate Director: Growth and Regeneration for on average, one day per week and an officer from the joint venture partner Lucent will also provide part-time, strategic leadership and support to the Board of Directors. Staffing to meet day to day administration needs will be determined by the Board, but will be at a much more junior level. As a consequence, the role of Head of Growth and Regeneration will no longer be required and that post will be deleted under this restructuring.
  - The functions of the Legal & Governance Directorate were recently added to by transferring the role of Assistant Director: Commercial Operations, which reported to the Chief Executive, into this directorate. By merging the communications and marketing team with this role the vacant role of Assistant Director: Communications is no longer required and will be deleted. This will create a new role of Service Director: City Services and Communications.
- 3.6 A key feature of these proposals are to clarify the organisational tiers and create unified job titles. It is proposed to call the tier 1 posts "Corporate Director" This is very much in line with titles used across the Local Government sector but furthermore, it also signifies the intent that these directors will work corporately across the Council in addition to managing their own directorates. In order to differentiate between these roles and roles that have a strong service leadership roles, it is proposed to create a new tier of director called Service Director. These important roles will be the most senior professional in their areas and will be responsible for ensuring quality in service delivery and outcomes in their own sphere. The role of assistant director will be retained for posts that report to a service or corporate director but have a strong leadership role for their service area. Two posts will retain the title "Director" – these are the Director of Governance and the Director of Public Health. This title is to acknowledge the statutory nature of the roles which, whilst not responsible for a wide range of services, they nevertheless have a cross cutting role and will report directly to the Chief Executive.

## 4. CONSULTATION AND ASSURANCE

- 4.1 The consultation document was sent to all directors, heads of service and assistant directors who were affected by the proposals. Before the document was published the Chief Executive met with those managers affected by the proposals on a one to one basis. During the consultation period all senior managers affected by the proposals were offered a formal consultation meeting with the Chief Executive. In addition written comments were invited. These responses are summarised in appendix 2. The Trade Unions have also been consulted.
- 4.2 In addition to the formal employee consultation, guidance has been issued to local authorities about seeking local assurance of their arrangements for fulfilling their statutory responsibilities for Children's Services. The guidance concerned was issued by Government in April 2013 and is entitled "Statutory Guidance on the roles and responsibilities of the Director of Children's Services and the Lead Member for Children's Services." As the restructure changes the arrangements for fulfilling the Council's statutory responsibility for children's services, it was considered essential that assurance was sought on the new arrangements. Russell Wate, Independent Chair of the Peterborough Children's Local Safeguarding Board has conducted a review of the changes and his assurance report will be available for the committee to consider at its meeting having been sent out in advance.

## 5. RESPONSE TO CONSULTATION

- 4.1 Eleven written responses were received as well as other comments made during the consultation meetings the Chief Executive. As a result the Chief Executive has decided to respond to the consultation in the following way:
- As there was considerable support for the role of Corporate Director: People & Communities, this proposal remains unchanged from the original set of proposals.
  - As there was considerable support for the proposals regarding the bringing together of the Commercial and Communications functions that proposal remains unchanged. However it was suggested that the post title be changed to Service Director: City Services and Communications. This is now reflected in the proposals.
  - As there was considerable support for the Director of Public Health to be a member of the Corporate Management Team and report to the Chief Executive due to the cross cutting nature of the role, the proposals are therefore amended and the Director of Public Health will now report directly to the Chief Executive and be a member of the Corporate Management Team.

## 6. IMPLICATIONS FOR SENIOR MANAGERS

All of the proposals are shown in the structure charts attached at appendix 3, but in summary the tables below set out the main changes to current roles.

### 6.1 Posts to be deleted

Post	Impact upon Postholder
Executive Director: Children's Services	Postholder retires upon recruitment to post of Corporate Director: People & Communities
Director for Communities	Postholder at risk of redundancy & subject to ring fence arrangements as set out below
Executive Director: Adult Social Care & Public Health	Postholder at risk of redundancy & subject to ring fence arrangements as set out below
Head of Growth & Regeneration	Postholder at risk of redundancy
Assistant Director: Commissioning	Postholder at risk of redundancy & subject to ring fence arrangements as set out below
Assistant Director: Communities and	Postholder at risk of redundancy & subject

Targeted Services	to ring fence arrangements as set out below
Head of Strategic Commissioning/Transformation	Postholder at risk of redundancy
Assistant Director: Communications	Vacant Post to be deleted
ICT Strategy, Infrastructure and Programmes Manager	Postholder at risk of redundancy & subject to ring fence arrangements as set out below

## 6.2 New Posts created

Post	Comments
Corporate Director: People & Communities	Will be ring fenced to Executive Director: Adult Social Care, Health and Wellbeing & Director for Communities
Service Director: Children's	Will be ring fenced to Assistant Director: Commissioning and Assistant Director: Communities and Targeted Services
Service Director: Adults & Communities	Will be ring fenced to Assistant Director: Commissioning and Assistant Director: Communities and Targeted Services
Assistant Director: Digital Peterborough	Will be ring fenced to ICT Strategy, Infrastructure and Programmes Manager
Assistant Director: Legal & Democratic Services	Will be advertised externally

## 6.3 Posts with change to job title and/or where Postholder is to be slotted into role.

Post	Changes
Head of Corporate Property and Children's Resources	Re titled Service Director: Education, Children's Resources & Corporate Property.
Assistant Director: Commercial Operations	Redesignated Service Director: City Services & Communications and will report to Director of Governance. Postholder will be slotted into this role
Assistant Director: Strategic Finance	Service Director: Financial Services

## 6.4 Posts with a change of reporting line

Post	Changes
Director of Public Health	Will report to Chief Executive

## 7. ALTERNATIVE OPTIONS CONSIDERED

7.1 The senior management structure could have been left in its current state. However this option is not being pursued as by so doing the structure would not enable the Council to best meet its current challenges. Furthermore, savings identified in the Medium Term Financial Strategy would not be realised.

## 8. IMPLICATIONS

- a) Legal – the Chief Executive, as the Head of the Paid Service, has a duty under the section 4 of the Local Government and Housing Act 1989 to determine the staffing arrangements necessary to deliver the Councils functions. The Head of the Paid Service may then prepare a report to the Council setting out the staffing structure. This will be submitted to the Council at a future meeting thus fulfilling these obligations. The role of the Employment Committee is to consider these proposals having regard to the reasons for the proposals and taking into account any

representations from the Leader of the Council. The Employment Committee is therefore asked to make any appropriate recommendations.

- b) Once the proposals have been considered by this Committee the Chief Executive will begin a recruitment process to new posts. That process will culminate in a further report at which point the Committee may exercise its responsibilities under the Local Authorities (Standing Orders) (England) Regulations 2001 for appointing to these posts.
- c) The proposals affect two statutory posts. Under the Children's Act 2004, the Council is obliged to designate a post as the Director of Children's Services, and under the Local Authority Social Services Act 1970 the Council must also have a Director of Adults Services. These proposals meet these statutory requirements.
- d) Financial – Overall, the second phase of the restructure will save over £500,000 per annum. This is on top of the £1million saving achieved in the first phase implemented from November 2013. This was achieved through a restructure of roles and a move towards the council becoming a commissioning organisation, in particular within the Communities Directorate established at that time. In total, the two phases will save over £1.5million.

Any costs of change arising from the restructure will be met from Council's capacity fund in line with usual practice.

- e) Human Resources – The review has been conducted in accordance with Council policies and relevant Employment legislation. Impacts on individuals (including any redundancy dismissals) will be managed in line with Council policies, relevant legislation and approved discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and the Local Government Pension Scheme Regulations 2013.

## **9. BACKGROUND DOCUMENTS**

None

## **10. APPENDICES**

- Appendix 1: Consultation Document
- Appendix 2: Summary of Consultees Responses
- Appendix 3: Current Corporate Management Structure

This page is intentionally left blank