
Subject: DELIVERING EFFECTIVE SERVICES – CHANGES TO THE CHIEF OFFICER STRUCTURE

Meeting and Date: Council – 12 December 2012

Report of: Nadeem Aziz, Head of Paid Service

Classification: Unrestricted

Purpose of the report: This report seeks approval for a further reduction to the Chief Officer (CMT) structure, resulting in further changes to the functions and responsibilities of the Chief Officers, which will be reported to Council as part of the budget cycle, the removal of one Chief Officer post and the delivery of further budget savings.

To achieve this Council is asked to approve the redundancy of the Director of Regeneration and Development (a Chief Officer

- Recommendation:**
1. Council approves the proposed changes to the Chief Officer (Corporate Management Team) structure, to be effective from 1 April 2013.
 2. Council approves the deletion from the establishment of the post of Director of Regeneration and Development (a Chief Officer post), with effect from 1 April 2013.
 3. The existing post holder be dismissed on the grounds of redundancy with effect from 1 April 2013, with notice being given by 1 January 2013.
 4. The resultant changes to the functions of the Chief Officers who form the Council's Corporate Management Team to be effective from 1 April 2013 will be reported to the Council by March 2013 alongside the budget setting process.
 5. The resultant changes to the Scheme of Officer Delegations (Council Functions) and to the Constitution to be effective from 1 April 2013 will be reported to the Governance Committee. .
 6. Council approve the transfer of £54,000 from the Cluster Reserve to meet the redundancy costs of the Director of Regeneration and Development
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1. Summary

- 1.1 The Delivering Effective Services report adopted by Council on 3 November 2010 highlighted the start of a period of unprecedented budget pressures for this Council, started a process of service prioritisation, identified necessary efficiencies and began the process of streamlining the Chief Officer structure (the Corporate Management Team (CMT)) as part of the budget savings required to meet the identified unprecedented financial pressures now facing this Council. The report to Council on

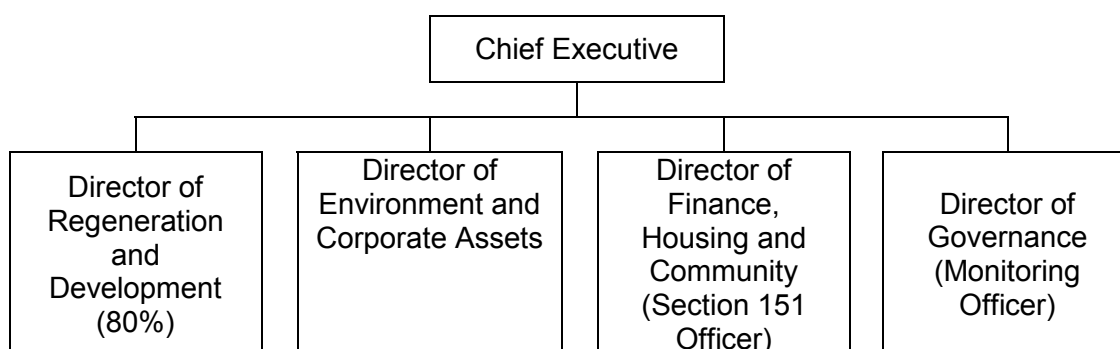
30 November 2011 took the process forward and this report now takes the process to the next stage and reflects the indicative Chief Officer and Corporate Management Team structure for 2013/14 as outlined in the 2010 Delivering Effective Services report.

- 1.2 This report proposes further structure changes to the Chief Officer structure (CMT), which will deliver demonstrable budget savings, maintain sufficient strength and capacity in the senior management team, but without any significant detrimental effect on overall service delivery. This is possible through a service review of the Regeneration and Planning functions
- 1.3 Council is therefore asked to approve the redundancy of the Director of Regeneration and Development (a Chief Officer).
- 1.4 Article 12 of the Constitution, identifies the Council's Chief Officers. Section 4 of Local Government and Housing Act 1989, (which defines the functions of the Head of Paid Service) is reflected in the Council's Constitution. Article 12.02 This requires the Head of Paid Service to report to the full Council on the number and grade of staff required by the authority to discharge the Council's functions. Any change to the distribution of Chief Officer functions and responsibilities requires Council approval. This will be reported to Council by March 2013 as part of the budget setting process.

2. Introduction and Background

- 2.1 As part of the Delivering Effective Services report to Council on 30 November 2011, Corporate Management Team was slightly reduced in size to 4.8 FTE from 1 December 2011, being the Chief Executive and four Directors, with the Director of Regeneration and Development taking flexible retirement (0.2). This reduction in hours alongside a redistribution of Chief Officer functions has allowed the Director of Regeneration and Development over the last year to focus on the key developments which form the key regeneration projects for this Council, whilst also overseeing a major review of the Regeneration and Development service.
- 2.2 Below is the current structure:

Current Structure

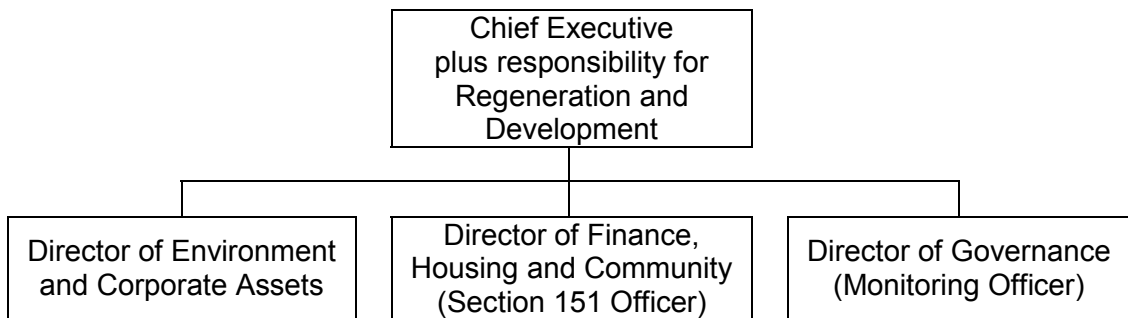


- 2.3 These are the Council's Chief Officers as identified in Article 12 of the Council's Constitution.

3. New Structure

- 3.1 As Head of Paid Service, I have accepted the findings from the review of Regeneration and Development (a summary is provided at Appendix 1), To ensure that the Council's priorities and responsibilities are effectively delivered, this review proposed a new focus and structure for the services to ensure that the key corporate priority of regeneration is effectively driven forward, with the associated redistribution of some resources and function responsibilities.
- 3.2 This report now proposes that the key regeneration, inward investment and planning functions of the Regeneration and Development Directorate move under the responsibility of the Chief Executive, who has a strong regeneration and planning background and many years of experience in this area. Moving this function to any of the remaining three Directors would create too great a conflict of interest to be realistically viable. This realignment will maintain the momentum in delivering the corporate regeneration agenda. Other consequential changes to the Chief Officer responsibilities will be reported to Council as part of the budget setting process by March 2013.
- 3.3 The effect of the proposed structural change outlined above is to make the post of the Director of Regeneration and Development (a Chief Officer post) redundant. Council is therefore asked to approve the redundancy of the Director of Regeneration and Development. The Director moved to flexible retirement from 1 December 2011, the concept of flexible retirement was introduced into the LGPS regulations in April 2006, allowing this Council to retain the skills of the Director on a reduced working hours basis, whilst building up those of other employees. The Director has indicated a willingness to accept dismissal for reason of redundancy and therefore the issue of attempting to offer him suitable alternative employment (which would not be possible) need not arise
- 3.4 The flexible retirement of the Director of Regeneration and Development has proved to be very beneficial, allowing this Council to retain the skills of a highly skilled and valued employee (albeit on a slightly reduced hours basis) whilst building up the skills of others within the Council. The internal service review undertaken has helped ensure that staff in the Development Management and Regeneration and Delivery functions had the necessary skills and an appropriate organisation structure to effectively support the accelerating regeneration agenda. This is being phased in but will be complete by March 2013 and the Director can be released on 31 March 2013 as part of the overall commitment from the 2010 Delivering Effective Services Report adopted by Council.
- 3.5 Another impact on the new structure is that the requirement for services provided by the Director of Environment and Corporate Assets at Shepway District Council under S113 of the Local Government Act 1972 have now ceased. However, he does remain responsible for the discharge of Shepway District Council's functions in relation to their part of the waste contract but these have been delegated to Dover District Council for discharge by the Director of Environment and Corporate Assets in his role here. This will ensure sufficient capacity and resilience remains at Chief Officer level at this Council.

Proposed Structure from 1 April 2013



= 4 FTE

The revised functional responsibilities of the Chief Officers to be reported by March 2013.

4. Identification of Options

- 4.1 As Head of Paid Service I have recommended the structural changes following the proposed redundancy of a Chief Officer and the internal review of Regeneration and Development.
- 4.2 The proposed phased change to the structure and size of Corporate Management Team continues to deliver the commitments in the Delivering Effective Services report to Council on 3 November 2010.
- 4.3 Therefore the options for the Council are:
 - (a) To support the reduction in the size of the Corporate Management Team and a redistribution in Chief Officer Functions and responsibilities, for which the other consequential changes will be reported by March 2013. This is the preferred option.
 - (b) Request that the Head of Paid Service looks at other structural options to reduce the size of CMT. This is not the preferred option as it may result in an unsustainable senior management structure and create an unnecessary period of uncertainty.
 - (c) Leave the current structure of the Corporate Management Team unchanged. This is not the preferred option as it would be a departure from the Delivering Effective Services Report which was approved by the Council on 3 November 2010 and would fail to make the cost savings identified in that report.

5. Evaluation of Options

- 5.1 The review of Regeneration and Development, together with the continued corporate direction of the regeneration agenda, and the redundancy of a Director (Chief Officer) have been the initial catalyst for the changes in the structure of CMT.
- 5.2 The further reduction in the size of CMT will provide a contribution to the continued overall budget savings required to be made by this Council. The proposed structure ensures that the corporate regeneration priority is situated with the most appropriate Chief Officer, the Chief Executive, who has the necessary skills and experience to ensure that the momentum necessary to drive the regeneration and development service forward is maintained.

- 5.3 The major risk in adopting a further streamlining of CMT is lack of capacity and resilience. However, I believe that the proposed changes have no overall detrimental effect on service delivery. This has been further mitigated by a review of the allocation of responsibilities for the remaining Directors and a cessation of the need for the Director of Environment and Corporate Assets to be available to Shepway District Council under S113 of the Local Government Act 1972.

6. Resource Implications

<i>Revenue Implications of proposed option</i>	<i>2012/13 £000</i>	<i>2013/14 £000</i>	<i>On-Going £000</i>
Expenditure increase (estimated redundancy cost)	54	0	0
Expenditure reduced (from post saving)	0	(89)	(89)
Increase/(decrease) in budget requirement	54	(89)	(89)

- 6.1 It is recommended that the redundancy costs are funded from the Special Projects reserve in the current financial year. This expenditure will achieve an on-going annual saving of £89,000 from the deletion of the post.

7. Corporate Implications

- 7.1 Comment from the Director of Finance (linked to the MTFP): Finance has been consulted and has no further comments to add (HL).
- 7.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the development of this report and has no further comments to make.
- 7.3 Comment from the Equalities Officer: There are no Equality implications in this report.

8. Appendices

Appendix 1: Internal Review of Regeneration and Planning Services

9. Background Papers

Delivering Effective Services Report to Council on 3 November 2010

Constitution of this Council – Article 12 and Officer Employment Procedure Rules

Local Government and Housing Act 1989

Contact Officer: David Randall, Director of Governance

Restructure of Regeneration and Development

The Corporate Management Team recently undertook a review of the planning, regeneration and policy functions within the Regeneration and Development Department.

The review highlighted a number of key concerns to be addressed through a restructure of the Department.

These are:-

- 1) A need to move away from paper-based, manually intensive processes
- 2) Emphasis on performance management and better structured projects
- 3) Capacity to allocate resources based on Council priorities
- 4) Develop a broader skills base through staff development and appraisals
- 5) Greater resilience
- 6) Better communication with customers

A new Regeneration and Development Manager is in post and is overseeing the implementation of agreed actions from the review.

The initial proposal to restructure the Department was light touch, concentrating more on the clarification of roles and responsibilities rather than any major structural change. However, it became clear through this process that this was not going to fully deliver the ambitions for the Department.

A second consultation is now in process (concluding on 10 December 2012). It sets up a smaller management team and removes management functions from a number of other staff, enabling them to concentrate more fully on service delivery.

An investment in ICT has already seen new software and hardware introduced that is having a positive impact on performance. By the end of the financial year two major upgrades to the planning system will move the Department towards the electronic delivery and assessment of planning applications and enhance our customer service through more information available on the website. A performance management upgrade will also support staff and Managers with accurate up-to-the minute performance information.

Staff will have improved opportunities to work flexibly from home or out on site, expected to improve performance even further.

Perhaps the greatest challenge for the Department is the need to develop innovative ways of working to move forward the delivery of the Corporate Plan and Local Development Framework – the most ambitious growth agenda ever set for the District. The Department is at the centre of the Regeneration agenda and the restructure will bring a maturity of approach that enables the difficult conversations of resources and priorities to be had in an open and transparent way – demanding of strong decision making from within and outside of the Department