



## CABINET REPORT

<b>Report Title</b>	<b>SENIOR MANAGEMENT RESTRUCTURING</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	6th MAY 2008
<b>Key Decision:</b>	YES
<b>Listed on Forward Plan:</b>	YES
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Chief Executive
<b>Accountable Cabinet Member:</b>	Councillor Woods
<b>Ward(s)</b>	NONE SPECIFICALLY

### 1. Purpose

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1.1 The purpose of this report is to make proposals with regard to the second stage of senior management restructuring following agreement by the Cabinet on 28th January 2008 of the first stage of proposals. The purpose of the restructuring is to align the Council's management capacity with its priorities and to ensure that the Council has the necessary management capacity arranged in a structure geared to meeting the Council's ambition to be amongst the best Councils in the country by 2013.

### 2. Recommendations

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2.1 Cabinet is recommended to agree the Senior Management Structure outlined in this report, replacing the Council's existing Senior Management Structure.

2.2 Cabinet is recommended to instruct the Chief Executive to implement the proposed senior management structure outlined in this report, replacing the Council's existing senior management structure as described from 1st October 2008.

- 2.3 In order to facilitate the fastest possible progress towards implementation of this structure, Cabinet is recommended to delegate to the Chief Executive the relevant Cabinet authority to make all necessary arrangements for establishing this structure.
- 2.4 Cabinet is asked to recommend to Full Council that it delegates to the Chief Executive all the powers necessary to enable him to progress all relevant implementation process, which currently do not fall under the authority of Cabinet. For the avoidance of doubt the actual appointments of Chief Officers will be made by the Appointments and Appeals Committee.
- 2.5 It is recommended to Cabinet and Full Council that the above delegations are undertaken in consultation with the Leader of the Council, relevant Portfolio Holders as appropriate, the Chair of General Purposes Committee and the Leaders of the two minority groups on the Council.
- 2.6 Cabinet is recommended to note that full recruitment processes are to be put in hand immediately for the positions of Director of Housing, Director of Planning and Regeneration, Director of Environment and Culture, Head of Planning, Head of Human Resources, Director of the Northampton Local Strategic Partnership, and Head of Procurement.
- 2.7 Cabinet is recommended to require the Chief Executive to keep Cabinet informed on progress in this matter.

### **3. Issues and Choices**

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#### **3.1 Report Background**

On the 7<sup>th</sup> December 2007, the Chief Executive issued a consultation brief about the future management direction of the Council and the future Directorate level structure of the Council's management. This was Stage One of the consultation on senior management restructuring.

On the 28<sup>th</sup> January 2008, in pursuance of the Council's improvement agenda, the Cabinet agreed to restructure the Council's senior management into four Directorates of Housing, Finance and Support, Planning and Regeneration, and Environment and Culture reporting each to a Director who reports to the Chief Executive. In addition the Cabinet agreed to the post of Borough Solicitor also reporting to the Chief Executive.

On the 17<sup>th</sup> March 2008, the Chief Executive issued a consultation document which is attached as Appendix A. Consultation on these proposals was completed on 17<sup>th</sup> April 2008. There was a substantial response to this consultation, particularly in terms of the depth of consideration given to the issues by respondents. As a result this report has taken a short while to prepare in order to give sufficient time for the Chief Executive to consider fully all matters raised in the responses.

Consultation has commenced with the Trades Unions on the process for implementing any decisions that Cabinet make consequent on this report. That consultation is not yet complete, however it has no implications for the structure adopted.

Further consultation is to follow on the structure proposed below “Head of Service” level, subject to Cabinet’s decision at this meeting. That next level of consultation is intended to be on a service-by-service basis, with priority being given in the first instance to the Housing service where the creation of the new Housing Directorate needs to be moved forward as a priority given the urgent need for improvement in that area, and certain others flagged as critical through the consultation process.

This report has been written as a public report given that the organisational structure of the Council is of public importance. One of the main aims of the restructure is to deliver an organisation which can be understood more easily (and therefore accessed more easily) by the public as customer or citizen. However there are of course matters which Cabinet may wish to discuss which would, if raised, require the exclusion of the press and public from the Cabinet meeting. For this purpose, provision has been made on the Cabinet agenda for private discussion as well as public discussion.

### 3.2 Issues for Consideration

The consultation paper is attached. It is not intended to repeat the arguments and proposals in that paper in this report. However this report will explain changes which it is proposed to make as a result of the consultation. As part of the consultation, all members were made aware of the paper and therefore Cabinet will already be aware of its content.

### 3.3 The Consultation Response

The consultation response was of a high quality with much considered discussion about the future of services and their management and organisation. Comments broadly divided into the following main areas.

- issues about the culture of the Council’s management and organisation
- issues about the organisation of services below Head of Service level
- issues about process for implementation
- issues of individual or personal interest
- issues about overall strategic direction
- issues about the Council’s capacity to improve and meet demands upon it
- issues about the exact structure and responsibilities of senior management posts proposed

As a result, it is not possible to respond to a large proportion of the consultation responses by making amendments to the proposed structure. Many require other action, such as training and development, changes in working practices, wider cultural change, or changes in the pressures and demands on the Council. Some would require additional resources.

The Chief Executive has personally read and considered each response. He will be writing to each individual consultee in the weeks following this Cabinet meeting to provide feedback on their comments and to explain how their concerns are being addressed, or that they will be included in later processes, or why their comments will not be agreed with or addressed.

This is an important dialogue with the people who deliver service to the public on behalf of the Council. The consultation has been carried out as part of the employer-employee relationship and will not therefore be published in full. A summary has been prepared by the Chief Executive and is attached as Appendix B.

### 3.4 Proposed Changes in response to consultation

The following changes are proposed in response to comments made by consultees.

- a) The Assistant Chief Executive post needs to be filled by an officer who, as well as the requirements laid out in the consultation paper, has experience of managing programmes or projects relevant to this role and a good understanding of the processes required to manage programmes and projects well. (see page 5 of Appendix B)
- b) Community Engagement should be included within the responsibilities of the Head of Policy and Democratic Services (this title is to be amended – see later). (page 5)
- c) No decision on the future location of the Print Unit is to be taken until the value for money study currently under production is completed. However it is still the case that the Head of Communications and Consultation will take a lead on all publishing matters including the website. (page 6)
- d) The Head of Improvement will be retitled as Head of Performance and Improvement. (page 6)
- e) It is proposed to include responsibility for complaints within the Chief Executive's Office, and this will be more fully consulted about the next stage of this process. (page 7)
- f) Community Forums are to be managed within Policy and Democratic Services. (page 7)
- g) It is proposed to re-adjust the proposal for all Democratic Services to be within the Chief Executive's Office and carry out a further review at the next stage to identify the correct balance of responsibilities between the Borough Solicitor and the Assistant Chief Executive / Head of Policy and Democratic Services. In broad principle it is proposed that support to governance would rest with the Borough Solicitor whereas policy analysis, community engagement, scrutiny advice and member development would rest with the Chief Executive's Offices subject to further review and consultation. Civic Support would rest with the Chief Executive's Office because of the Civic responsibilities of the Chief Executive. (page 8)
- h) It is proposed to retitle the Head of Policy and Democratic Services to Head of Policy and Community Engagement.
- i) Neighbourhood management, area partnerships and community development support are proposed to report to the Head of Policy and Community Engagement. (page 9) The future management of Community Centres is to be further reviewed at the next stage (page 17). One of the key responsibilities of this Head will be to work with Management Board and in particular the Director of Environment and Culture to develop further the Council's arrangements for

engagement with the public on matters affecting policy decisions at neighbourhood level and providing clear links between this and neighbourhood service delivery. (page 9)

- j) The proposed review of managerial support and in particular secretarial support will need to be in place by 1.10.08 (page 9)
- k) Further examination is needed of the detailed staffing arrangements for Concessionary Fares. (page 11)
- l) The professional qualifications for the Director of Housing and the Heads of Service in Housing are to be amended in light of advice from the Council's Interim Director for Customer Service and Delivery. (page 12)
- m) The case for tenant participation and customer engagement to be located with Housing Strategy, Investment and Performance rather than Landlord Services was well argued and is to be further considered as part of the next stage of consultation on Housing structure which will start very soon. (page 13)
- n) Neighbourhood Wardens are proposed to be located in Public Health, Safety and Sustainability rather than Neighbourhood Environment Services. (page 14)
- o) The title of Public Health, Safety and Sustainability is not a clear understandable title and therefore will be reviewed and amended in discussion with those involved in the service. (page 15)
- p) The Head of Leisure and Culture will need to have a recognised, but broadly defined, professional qualification. (page 15)
- q) The Town Centre Manager will report to the Director of Environment and Culture, but will not be designated a Head of Service. (page 16)
- r) Finance and Assets will retain responsibility for facilities management. (page 17)
- s) The proposal to relocate Asset Development is deferred for later consideration in light of capital accounting issues. (page 17)

Other comments listed in Appendix B have been fully considered, as have the details of every response received. The above list is the extent of proposed changes.

A revised structure chart for the new proposed structure after consultation is attached as Appendix C.

### 3.5 Implementation

Following discussion, a proposed process for managing the implementation of the changes proposed in this report has been issued to the Trade Unions for comment and they have shared this with all affected staff. Union meetings are understood to be taking place and further meetings will be arranged between management and unions to seek an agreement on process. The process to be adopted will relate to this stage of restructuring only.

Work has started on recruitment to the posts of Director of Housing, Director of Planning and Regeneration, Director of Environment and Culture, Head of Human Resources and Head of Planning. Recruitment is also to commence to the posts of Director of the LSP and Head of Procurement. These processes are subject to the final arrangements for implementation which are the subject of discussion with the Unions.

It is important that implementation can be managed in a timely and effective manner. It is therefore proposed that Cabinet and Full Council delegate relevant responsibilities to the Chief Executive in consultation.

It is proposed to implement the new structure on Wednesday 1<sup>st</sup> October 2008. It is therefore important that rapid progress is made.

### 3.5 Pay Levels and Grades

The consultation paper proposed the use of the HAY evaluation scheme for determining relative job content. The Trade Unions are aware of this and have raised no objections, so it is proposed to proceed on that basis.

The Council needs to be able to attract and retain the best possible managers for these positions. On that basis it is proposed that the Chief Executive should have discretion to award salaries that will enable the best candidate to be appointed, including market enhancements where this is necessary.

The Chief Executive will also carry out a review of the terms and conditions of senior managers (excluding the Chief Executive), provisions for performance-related pay, and recruitment incentives including relocation costs.

## **4. Implications (including financial implications)**

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### 4.1 Policy

There are no new policy implications from this report.

### 4.2 Resources and Risk

Overall, the proposals contained in this report represent a significant strengthening in the Council's management, particularly in Housing, Planning and in corporate capacity. As such, the overall cost of management in the Council will increase.

However an examination of potential cost scenarios has been undertaken on a confidential basis by the Director of Finance. This shows that, based on a reasoned assessment, if there are additional costs on the General Fund, these will be of a relatively minor and manageable nature.

This does not include the additional costs involved in the Head of Planning position agreed by Cabinet in July 2007. Those costs were not budgeted for, and therefore an examination is in hand of the budget position within People, Planning and Regeneration to establish how these costs will be met.

The Housing Revenue Account will face higher management costs because there is an insufficient senior management arrangement in that area at the moment. This can be managed within the existing HRA and is absolutely essential to delivering better services to tenants and meeting the requirements of, for example, Decent Homes where the Council needs enhanced management leadership to move forward in that area.

There will be significant one-off costs in recruitment and in managing this change. These costs will be met from reserves.

#### 4.3 Legal

Any restructure carries with it risks of legal challenge or of applications to Tribunals. The legal service are advising on all such matters and all possible steps are being taken to ensure fairness for all those affected and to minimise these risks.

#### 4.4 Equality

There are no specific equality implications from this report. Implementation will be handled with due regard for equality and diversity issues and responsibilities.

#### 4.5 Consultees (Internal and External)

This is dealt with in main body of the report.

#### 4.6 How the Proposals deliver Priority Outcomes

This is dealt with in the main report and Appendices A and B

#### 4.7 Other Implications

There is nothing additional to draw to members attention

### **5. Background Papers**

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This Week, 7<sup>th</sup> December 2007 – consultation brief  
Report to Cabinet on Senior Management Restructuring, 28<sup>th</sup> January 2008  
Consultation paper for Stage 2 consultation issued 17<sup>th</sup> March 2008 (attached)  
Consultation responses (which are exempt and confidential)  
Planning restructure report to Cabinet July 2007  
Correspondence and consultation with Trade Unions (which are exempt and confidential)

**David Kennedy, Chief Executive, 7726**