

Council

Management Restructuring

26 July 2011

Report of Chief Executive

PURPOSE OF REPORT

To update members on the management restructuring and to seek approval for the management structure and to amend the business case relating to the ring fencing of posts.

This report is public

Recommendations

Council is recommended:

- (1) To agree the management structure as set out in paragraphs 1.4 and appendix 1 as recommended by the Joint Personnel Committee.
- (2) To agree that the ring fencing arrangements should be amended to allow any person placed at risk by this process to apply for any of the posts in the Joint Management Team or the three other posts as shown on the structure.
- (3) To note that a further report will be presented to Council to seek approval for the appointment of the statutory officers, namely the section 151 finance officer and the monitoring officer.

Executive Summary

The proposals for the management restructuring have been presented to the Joint Personnel Committee at their meetings in June and July. The recruitment process is well advanced, with interviews scheduled for September so that the Joint Management Team can be appointed and in place with effect from 1 October 2011.

Introduction

- 1.1 The business case for the creation of a Joint Management Team working with South Northamptonshire was approved by Council in December 2010. The first stage was the recruitment of a shared Chief Executive and that stage was completed in May when I took up my post.
- 1.2 The next stage as agreed in the business case was the creation of a Joint Management Team and three other posts.
- 1.3 The Joint Personnel Committee (JPC) comprises of five members from each of the two Councils. The JPC has agreed the terms and conditions of employment for Joint Management Team posts and also considered the proposed management structure. The JPC also acts as the interviewing panel for the appointment of the Chief Executive, Directors and Heads of Service. The JPC will also recommend to both Councils the appointment to the two statutory posts, namely the section 151 finance officer and the monitoring officer.

Proposals

- 1.4 A report was presented to the JPC in June who outlined the proposed management arrangements including the structure, job descriptions for each post, terms and conditions for the Joint Management Team and the proposals for the consultation process with staff and trade unions. The structure is attached in appendix 1. The structure is designed to comply with the parameters in the business case. It will provide the capacity, skills and flexibility for both councils to deliver each Council's priorities, develop policy, deliver services and be proactive to further changes at either local or national level. The generic nature of each Director and Head of Service role will ensure that the core responsibilities and functions apply equally to each member of the Joint Management Team. Each Director and Head of Service will also have responsibility for a geographical area and will act as a "relationship manager" for that defined area, encouraging cross sector working between tiers of government and local organisations. The initial grouping of services gives a distinct focus to each role based around the reflection of common aspects in relation to the outcomes of the delivery for each service area. For instance, services with a key regulatory component such as building control and environmental health are in one group, and in another group will be service areas which deliver directly to the community such as leisure and customer services. Waste collection, street cleansing and ground maintenance are grouped together as are services which support democracy through the work of members, including elections. The groupings will not restrict the relationships and cross working between the services in different parts of the structure. Not all service areas are shown in the structure. The intention is to demonstrate the overall shape of the new structure with the detail to be developed by the Joint Management Team once it is in place. This will give each member of the new team the opportunity to influence the grouping of services.
- 1.5 The proposals for the structure, terms and conditions were all within the parameters as set in the business case. Proposed pay scales were based on recommendations made by the Hay Group, having regard to the levels of pay for comparable jobs in other organisations. However, the JPC were asked to

consider a change to the ring fencing arrangements. In the business case, the ring fence was drawn around each level that is only directors could apply for a director's post in the new structure, and likewise for heads of services who could only apply for a head of service post. Having assessed the implications of this approach, I sought the views of the JPC on changing this to a position whereby anyone placed at risk by the management restructuring could apply for any of the posts in the new structure. Widening the ring fence maximises the opportunity for staff at risk to secure alternative employment, ensures overall fairness in the selection process and enables a more effective recruitment process and so will avoid unnecessary recruitment costs. JPC supported this request, however because it is outside of the parameters as set by the business case it will be for each Council to consider this amendment. South Northamptonshire Council will be considering this request at their meeting on 27 July.

- 1.6 Following the JPC meeting in June, the proposals were subject to consultation with affected staff and trade unions, the outcome of which was presented to the JPC at their meeting in July. A key concern expressed in the consultation was around the level of pay for the new posts and in particular, in relation to the top end of the grade for heads of service and for the three other posts. The highest increment for the new grade was below that which is currently being paid to some of the "at risk" staff currently in a post at a similar level. My understanding is that members never intended staff should be disadvantaged by securing a post at a similar level in the new structure and yet being paid at a lower level. Although in such circumstances protection would apply for a fixed period (2 years). Members of JPC confirmed that this was not the intention at the time that the business case was approved and therefore the salary levels were amended to reflect this. The new posts will be paid as shown below:

Director	£79-£88,000
Head of Service	£52-£73,000
Three other posts	£35-£47,000

The JPC also agreed that Special Responsibility Allowances of £2,500 would be paid to each of the post holders for the statutory roles of section 151 Finance Officer and Monitoring officer.

These pay bands are within the parameters as set by the business case and are presented here for information.

- 1.7 The next step is the recruitment process and also dealing with any requests for voluntary redundancy. The JPC is responsible for appointing directors and heads of service and also for considering requests for voluntary redundancy. Interview dates have been arranged for September to enable appointments to be made to the new posts with the Joint Management Team in place from 1 October. Once appointed, members of the JMT will then review the service areas for which they have responsibility and will collectively and in consultation with members, develop a programme to deliver the subsequent phases of the business case to achieve further savings through joint working.

Conclusion

These proposals allow for the creation of a Joint Management Team with South Northamptonshire Council and will deliver the efficiencies identified within the business case for joint working.

Key Issues for Consideration/Reasons for Decision and Options

The following options have been identified. The approach outlined in the recommendations is believed to be the best way forward

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| Option One | To agree the recommendations as set out above. |
| Option Two | Not to agree the recommendations as set out above, this would have serious implications for the delivery of the proposals set out in the business case. |
| Option Three | None. |

Consultations

As described in the report.

Implications

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| Financial: | <p>There are no financial implications directly arising from this report.</p> <p>Comments checked by Karen Muir, Corporate System Accountant 01295 221559</p> |
| Legal: | <p>There are no specific legal implications arising from this report and additionally the Chief Executive and JPC have been advised by an external legal consultant.</p> <p>Comments checked by James Doble, Democratic, Scrutiny and Elections Manager, 01295 221587</p> |
| Human Resources and Risk Management | <p>In opening the ring fence to all staff within scope and at risk there are both potential positive and negative implications. These include:</p> <p>Positive – A greater number of posts are made available to those at risk, possibly resulting in fewer redundancies and fewer posts to recruit to externally (which has greater cost implications for the recruitment process).</p> <p>A greater pool of applicants with a wider range of skills and experience are created offering greater long term</p> |

flexibility, experience and knowledge to the organisation.
 Offers promotion opportunities which can act as a motivation and retention tool and a potential reduction in any protection costs.
 Negatives – potential legal challenge from individuals claiming proper consideration has not been given to suitable reasonable alternatives.
 Greater resource implications for Veredus and Members through greater quantity of applications for all posts.
 Comments checked by Paula Goodwin, Projects & Policy Manager 01295 221735

Wards Affected

All

Document Information

Appendix No	Title
Appendix 1	Joint Management Team structure chart
Background Papers	
Report to Joint Personnel Committee 14 June 2011 Report to Joint Personnel Committee 13 July 2011 Report to Personnel Committee 7 July 2011 Terms of Reference for the Joint Personnel Committee Report to Council December 2010	
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