
Meeting: Executive
Date: 9 March 2010
Subject: Senior Management Review
Report of: Cllr Tricia Turner – Leader
Summary: The report provides Executive with the final proposed senior management structures.

Advising Officer: Richard Carr, Chief Executive
Contact Officer: Gordon McFarlane, Acting Assistant Director (HR/OD)
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision No
**Reason for urgency/
exemption from call-in
(if appropriate)** Urgent report – initial feedback from stakeholders was received by 22 February 2010, resulting in CMT agreeing final structural proposals.

CORPORATE IMPLICATIONS

Council Priorities:

The implementation of a fit for purpose senior management structure, having achieved a 21.2% cost saving, will contribute to the Council's value for money objectives.

Financial:

The structures (to follow) will deliver a 21.2% cost saving. Against a total staffing budget of £8.13m, this equates to annual savings of approximately £1.725m per annum. Given a reduction in numbers of Heads of Service in SCH&H, a proportion of the saving will fall within the HRA, rather than all from the General Fund.

Clearly, there will be non-recurring costs associated with reducing numbers, and initial estimates of this were contained with in the January Executive report regarding the establishment of a voluntary severance scheme as follows:

20% of total redundancy cost for the whole group £285k
Total Actuarial strain for all over 50's in the whole group £2.1m
Approximate Actuarial strain (averaged) for 20% of over 50's £434k

n.b. It is more likely that applications will be received from those who can access their pensions, so the above proportion may be higher than 20%. Those over 50 are approximately 29% of the group, with those aged 50-54 approximately 7% of the group.

Legal:

None directly arising from this report

Risk Management:

Structures have been proposed based on an analysis of future management and leadership capacity, whilst also considering the skills and experience required to run the wide range of complex services.

Staffing (including Trades Unions):

Trade unions have been consulted on draft proposals.

Staff feedback has been received and considered, and we are working with 'at risk' colleagues to maximise options.

Equalities/Human Rights:

We are ensuring that our change management processes are being implemented fairly and transparently, and an Equality Impact Assessment has been carried out in relation to the operation of the voluntary severance scheme.

Community Safety:

None directly arising from this report

Sustainability:

None directly arising from this report

Summary of Overview and Scrutiny Comments:

- Not considered by Overview & Scrutiny

RECOMMENDATION(S):

1. **that the Executive considers and notes the proposed senior management structures for the 4 Directorates and the Office of the Chief Executive, having already delegated implementation of the structure to the Chief Executive.**

Reason for Recommendation(s): The Executive gave the Chief Executive the authority to implement a revised structure that achieves a 20% cost reduction. However, we recognise that Executive Members will wish to consider and note the proposals.

Executive Summary

Revised structures for all Directorates and the Office of the Chief Executive have been consulted on, and feedback has been received and considered. Whilst consultation on detailed implementation is still taking place, it is now possible to define the overarching structures at Assistant Director and Heads of Service level.

Introduction

1. Proposals for senior management structures in three of the four directorates together with the Office of the Chief Executive were published on 11 January 2010.
2. Subsequently, following the appointment of the Director of Customer & Shared Services, proposals for this directorate were published for consultation to the senior management group on 9 February.
3. As part of the consultation process, initial feedback was requested by 22 February, in order that this could be taken into account and modifications made as appropriate
4. Although consultation is ongoing, we do not anticipate that there will be any fundamental changes, based on the feedback we have received to date.

Proposed structures

5. Whilst the proposed structures achieve the required cost reduction, great care has been taken to ensure that the new management arrangements are robust and sustainable and help the Council to focus on its strategic objectives.

Next steps

6. Job descriptions for new and changed roles are currently being produced, and we will then be in a position to begin populating the new structures, using our agreed change management processes.

Appendix:

Appendix 1 – Proposed senior management structures

Background Papers: (open to public inspection)

None

Location of papers: N/A