



Hinckley & Bosworth
Borough Council

A Borough to be proud of

SCRUTINY COMMISSION
COUNCIL

16 June 2016
6 September 2016

WARDS AFFECTED:

All

SENIOR MANAGEMENT RESTRUCTURE

Report of Chief Executive

1. PURPOSE OF REPORT

- 1.1 To respond to the requirement in the Medium Term Financial Strategy (MTFS) for efficiency savings of £175,000 from 2017/18 and a further £75,000 from 2018/19, by seeking approval for a Senior Management Restructure to achieve those savings and improve the operation of the Council for the future.

2. RECOMMENDATIONS

2.1 That the Council:

- i) approves the revised management structure, set out in Appendix B of the report, replacing the existing structure with effect from 1 January 2017;
- ii) approves the job descriptions for the new posts, as attached at Appendices C(i-iv).
- iii) confirms the appointments to the new posts, as set out in section 3.7 of the report.
- iv) approves the associated cost reductions, from April 2017, as set out in the financial implications section, for incorporation into the Council's budget from that date.
- v) acknowledges that the new Management team will maintain a continuous review of the management structure and associated cost implications.

3. BACKGROUND TO THE REPORT

- 3.1 The existing Senior Management Structure is set out at Appendix A. It comprises seven posts. It has been in place since January 2015. It is right that the Council should review its management arrangements periodically, to ensure that they remain fit for purpose, as the demands on and priorities of the Council change; though not so regularly that it introduces instability and uncertainty.

- 3.2 The MTFs, approved by Council on 18 February 2016, referred to the development of an Efficiency Plan, which was being drafted to meet the requirements of DCLG to enable the Council to receive the potential amounts of Revenue Support Grant until that ends in 2020/21. The MTFs assumed efficiency savings as follows:

2017/18	£175k
2018/19	£ 75k (additional)
2019/20 onwards	£250k (total)

- 3.3 To secure these savings, without impact on frontline services, serious consideration has been given to a more streamlined structure of senior management within the Authority. Arising out of that consideration, the structure outlined in Appendix B is recommended to the Council for adoption, for implementation no later than 1 April 2017. Adoption and implementation of these recommendations, along with some ancillary changes, will secure savings of £250k from April 2017, achieving the full annual savings a year early.

3.4 Benefits of the Restructure

The main benefits which should be enjoyed by the Council by approving these recommendations include:

- * An annual saving of £290k from April 2017.
- * A more cohesive Senior Management Team, with a single group, replacing the Strategic Leadership Board and Corporate Operations Board.
- * An increased focus on collaborative and partnership working within and outside the Borough.
- * A realignment of organisational responsibilities which will improve communication and coordination, balance workloads and use people's strengths to greatest effect.
- * In particular, it will combine
 - a) Housing Services and Housing Repairs under a single senior manager, along with Cultural Services, much of which seeks to support/encourage vulnerable people.
 - b) Confirm the alignment of all Finance and related services, alongside the other vital support functions - Human Resources, Legal Services, Communications/Member Support, Customer Services and Elections.
 - c) Combine the regulatory functions of Planning and Environmental Health, alongside the wider (and important) environmental services provided from the Jubilee Building (Refuse Collection/Recycling, Green Spaces, Street Cleansing).
- * Provide a fresh impetus to the working and direction of the organisation to meet the aspirations of the Administration.

- 3.5 Job descriptions and grades (independently evaluated and benchmarked by the Local Government Association) for the four posts are attached, from which Members will see references to ensuring full Borough coverage of activity (urban and rural), effective partnership working within and outside of the Borough, the effective corporate management of the Council and effective communication and working relationships within the organisation. The Appended details, with respective salaries, are:

Chief Executive	C(i)
Director (Community Services)	C(ii)
Director (Corporate Services)	C(iii)
Director (Environmental and Planning)	C(iv)

3.6 In essence, the proposed structure removes the layer of the two Deputy Chief Executives, with the Director posts incorporating those responsibilities alongside many of the responsibilities in their current substantive roles.

3.7 Appointments

- a) The two posts of Deputy Chief Executive are deleted, one following voluntary redundancy and the other being deleted when the current Chief Executive retires later in the financial year.
- b) In preparation for this report, and following earlier consideration by the Scrutiny Commission, a cross-party Member Appointments Panel was convened to interview Bill Cullen, as the obvious internal candidate for the role of the new Chief Executive. Following a robust process, administered and supported by an independent Officer Adviser from East Midlands Councils, the Panel agreed unanimously to recommend Bill Cullen for the role of Chief Executive.
- c) In respect of the three Director posts in the proposed structure, the appointments are clear, in that substantial proportions of the new roles are undertaken by the holders of existing Chief Officer posts which are being deleted from the establishment, leaving them as obvious internal candidates.
 - Director (Community Services) – Sharon Stacey – the post of Chief Officer (Housing, Community Services and Partnerships) is deleted
 - Director (Corporate Services) - Julie Kenny – the post of Chief Officer (Corporate Governance and Housing Repairs) is deleted
 - Director (Environment and Planning) – Rob Parkinson – the post of Chief Officer (Environmental Health) is deleted

4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

4.1 None required.

5. FINANCIAL IMPLICATIONS (AW)

5.1 The current management structure is based on seven posts, the Chief Executive, two Deputy Chief Executives and four Chief Officers. The current total costs of this structure are £0.78m a year.

5.2 The revised management structure is based on four posts in the management team. The role of S151 offer as a statutory role is to be retained at Chief Officer Level (CFO), with unrestricted access to the Chief Executive, Management team and elected members, and being involved in all strategic financial decisions. CIPFA guidance does encourage councils to have the S151 role to be within the Leadership Team, with equal status to other members of that team. CIPFA guidance goes on to suggest that if different organisational arrangements are adopted the reasons should be explained in the authority's Annual Governance Statement, together with how these deliver the same impact. The proposed arrangements are felt to deliver the same impact as the CFO will have equivalent status in relation to the S151

responsibilities as set out in the Local Government Act, and cannot be fettered in relation to carrying out those duties.

- 5.3 The costs of the proposed structure based on proposed salaries are £0.51m. This represents a saving of £0.27m a year. The table below give the breakdown of the costs included and the saving expected.

	Salary	Employers NI	Employers Pension	Total
	£	£	£	£
Current Structure	607,502	76,049	99,630	783,182
Revised Structure	399,594	49,583	65,533	514,709
Savings	207,909	26,467	34,097	268,472

- 5.4 Outside of the management team, the restructure will also remove the need for a Corporate Governance Support officer, which will generate a further annual saving of £22,182, bringing the total savings to £290,654 a year.
- 5.5 The savings assume that there will be no further restructure costs involved in the establishment of the new structure at this level. However, efficient and effective management process would dictate that the management arrangements below senior management level should be subject to review, to take account of any unforeseen implications and increases in role responsibilities from the new arrangements, as time progresses. Any financial and service implications arising from this review will be brought to Members, as necessary.

6. LEGAL IMPLICATIONS (AR)

- 6.1 The relevant statutory powers to implement the matters contained within this report are contained in Section 112 Local Government Act 1972 (Appointment of Staff) and Section 111 Local Government Act 1972 (Incidental Powers of Local Authorities).
- 6.2 Section 149 of the Equality Act 2010 sets out the equality duty which all local authorities are required to comply with. It is not considered that the proposals set out in this report will have a disproportionate impact on anyone who might share a protected characteristic.

7. CORPORATE PLAN IMPLICATIONS

- 7.1 Providing value of money and pro-active services.

8. CONSULTATION

- 8.1 Consultation has taken place with all the officers directly affected, with UNISON and with the Cross Party Member Group.

9. RISK IMPLICATIONS

- 9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
Not to approve the recommendations or a suitable alternative, will reduce the opportunity for securing the savings set out in the MTFS, approved on 18 February 2016.	Approval of the recommendations	Chief Executive

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

10.1 The requirements in the revised Job Descriptions will enhance the focus of the Council's work on rural and equality issues across the Borough. The more cohesive management structure will reinforce these requirements.

11. CORPORATE IMPLICATIONS

11.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Procurement implications
- Human Resources implications
- Planning implications
- Data Protection implications Voluntary Sector

Background papers:

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