

Cabinet - 11th March 2015

Report of the Chief Executive

Organisational restructure

Purpose of Report

1. As part of the ongoing organisational restructure, to approve the proposed organisational structure including 3rd, 4th and 5th tier posts for formal consultation
2. To update cabinet on appointment of Strategic Directors and Chief Officers

Background

3. The key aims of this phase of the restructure are to:
 - Complete the delivery of at least £1m savings in senior management through a lean & delayed structure which will support the Strategic Directors and 3rd Chief Officers in terms of both capacity and skills needed
 - Encourage a 'One Council', 'can do' culture and ensure a responsive a community council focus
 - Break down any silos between services and exploit the synergies between services
 - Improve the customer experience with joined up services, so that no door is the wrong door & customers tell their story once
 - Devolve decision making to empower staff within a clear accountability and performance management framework
4. The key headlines for this phase of the restructure include:
 - Post 16 skills agenda and Adult/Community Learning placed with regeneration to ensure alignment with future job opportunities and Combined Authority work
 - Head of Housing Maintenance reporting to Chief Officer Environmental Services - joining up working between the 3 DLOs
 - Community Safety reporting to Head of Housing Estate & Tenancy Management - joining up working with antisocial behaviour

- Head of Whole Life Disability to bring together services for both children and adults with disabilities,
 - Integrated Commissioning, Performance & intelligence s function within the People Directorate
 - One Chief Social Worker for both Children & Adults staff professional development and Directorate specific Learning & Development
 - The Chief Officer for Children's Services post, given the challenges faced in recent recruitment, has been recast to focus on children's social care and early intervention, to provide professional strong operational and strategic leadership
 - A Lead for Education Outcomes post is proposed to focus on providing challenge and support to schools to raise standards. This post will be developed in conjunction with the Schools Forum and will report direct to the Strategic Director
 - Equalities & Community Development brought together under Chief Officer Health & Wellbeing, giving a new focus to equalities and capacity to develop Community Council
 - As recognised in the report to Cabinet on 4th December 2014 there are a number of temporary posts in this proposed structure, to deal with embedding the structure and specific project such as very light rail and options appraisal projects for Leisure Centres, Archives, Halls and Libraries. These are time limited projects and whoever is appointed to them will be made redundant at the conclusion of the project, unless redeployment is achieved.
 - Work is ongoing to reduce the PA support and to create pooled arrangements, this should be completed by mid march for PAs to senior managers and by end of July for shared PAs to Heads of Service.
 - Environment, economy and Housing will now be called Place and the post of strategic Director, Place is to be advertised, following the withdrawal of acceptance of the post due to the increasing emphasis on regeneration and combined authority work
5. The proposed organisational structure charts for the 3 directorates are attached at appendix 1.
6. The Appointments committee on 12th February 2015 unanimously agreed to the appointment of an external Interim appointment for the refocused Children's Services Chief Officer post whilst the post is readvertised. The post had been advertised from 11/11/14 until the 14/01/15, with a salary of £89,000. Alongside advertisements in wmjobs.co.uk, MJ and Guardian, Veredus were appointed to undertake an extensive search for candidates on behalf of the Council. However, although 10 applications for the posts were received, only 5 of these appeared to meet the essential criteria and were longlisted for technical interview and none of these candidates were able to demonstrate sufficient skills and experience to be recommended for consideration by the appointments panel.

7. A report on the outcome of the formal consultation which will run from 12th March to 1st May 2015, will come back to Cabinet on 25th June 2015. Once approval is given for implementation, staff affected will formally be put at risk of redundancy and anyone that is displaced and does not achieve redeployment will leave the Councils employment on 31st December 2015
8. Cabinet have previously agreed that 4th tier or non Chief Officer 3rd tier posts would be evaluated using the LGE Job evaluation scheme where they scored at the top of our NJC Scheme. Our current Head of Service grade finishes at grade 15 (£53,382 to £59,170) and is for posts scoring 740+ points in the current NJC job evaluation scheme used by the Council. As previously approved by Cabinet, posts reaching this threshold have been externally evaluated using the LGE scheme. It is recommended that the Council introduces a Grade 16 for posts scoring 740+ in the NJC scheme and between 841 and 930 in the LGE scheme. Also a grade 17 for posts scoring 740+ in the NJC scheme and between 931 and 1219 in the LGE scheme. Both grades would have a 4 point range, which is consistent with grades up to 15.
9. There has been 50% reduction in senior management, going from 22 to 11 e.g. 3 Strategic Directors and 11 Chief Officers. Two posts are currently being recruited through external advert; appointments have been made to the other 9 posts.

Finance

10. The Senior Management Structure approved for implementation by Cabinet and Council in October aimed to realise ongoing savings in the region of £1 million. It was also based on there being a fixed financial envelope for the fourth tier of the structure. The proposals in this report are affordable within that financial envelope.
11. The precise impact on the Medium Term Financial Strategy will be calculated when the proposals have been finalised. Following consultation any costs arising from transition to the new structure will have to be met from within directorate budgets as approved by Council on the 2nd March 2015.
12. Redundancy costs are dependent on the age and length of service of the individuals being made redundant and therefore cannot be precisely calculated at this stage. These are one-off costs that will be met, as with all redundancies, from provision within the Medium Term Financial Strategy.

13. The likely additional costs of filling the Children's services role with an external Interim for 6 to 9 months will be between £45,000 and £65,000. However the costs of not filling this critical role with an effective candidate are also high. The average cost of each additional child taken into care in Dudley is around £40,000 / year, while an inadequate judgement from an Ofsted Inspection can result in recommendations many millions to implement. As with other transitional costs, this will have to be met from within the budget of the Directorate of People.
14. External benchmarking of salaries conducted by West Midlands Employers as part of the senior officer review identified a salary range of £73,000 to £107,286 for 3rd tier posts (reporting to a Strategic Director) in Councils with a People, Place, Resources model. A temporary market forces supplement in accordance with the councils pay policy may be applicable to the posts currently being externally advertised of Strategic Director Place and Chief Officer Children's services. The proposed salary range for grade 16 is £61,086 - £65,000 and for grade 17 £66,916 - £70,000

Law

15. Section 111 of the Local Government Act 1972 enables the Council to do anything that is calculated to facilitate or is conducive or incidental to this discharge of its various functions. The Council's senior management and organisational restructure is being undertaken within the Council's policies and legislative framework
16. Pursuant to the Localism Act 2011 the Council has the general power of competence to do anything individuals may do

Equality Impact

17. An Equality Impact Assessment was attached to the Cabinet report relating to the review of senior management in July and October 2014. The recruitment of the Children's Service Chief Officer and any temporary arrangements have a direct impact on children and young people in the borough as does the appointment to the 3rd tier lead for Education outcomes. An updated equality Impact Assessment has been completed at this stage but will need further updating following the close of the formal consultation on the proposals and will be attached to the June 2015 Cabinet Report.

Recommendations

18. It is recommended that:-

- Cabinet agree the proposed structure to commence formal consultation with affected staff;
- Approve redundancies for the interim / temporary posts, where no redeployment is achieved
- Approve the introduction of two new grades for Heads of Service where externally evaluated using the LGE Job evaluation schemes
- Note the update on Strategic Director and Chief Officer appointments.



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CHIEF EXECUTIVE

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Background Papers
3/7/14 Cabinet Report
1/10/14 Cabinet Report
4/12/14 Cabinet Report
12/2/15 Appointments Committee Report