



# East Northamptonshire Council

## Personnel Sub Committee - 15 February 2010

### Proposed Management Restructure

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#### Summary

This report is to consult Members on the proposed management restructure and ask the Sub-Committee to recommend the proposed changes to the Policy & Resources Committee.

#### Attachment(s)

Note circulated to staff on 28 January 2010 and Councillors on 29 January 2010 - Appendix A

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#### 1. Background

- 1.1 SMT and the Budget Review Group have been working together since April 2009 to identify and consider various ways of reducing costs, given the current financial climate.
- 1.2 One of the areas which has been under consideration is the management structure, because it is always preferable to reduce management costs where possible rather than reduce spending in areas that have a direct impact on our customers and communities.
- 1.3 The current structure dates from November 2006, when we reduced the number of Heads of Service from 10 to 8, creating the posts of Head of Customer Services and Head of Organisational Development in the process. Part of the rationale for that structure, and those two posts in particular, was a need to focus on customers and on staff development. Those two areas formed the cornerstone of the subsequent Aiming for Excellence (A4E) programme, which finished in October 2009.
- 1.4 The end of A4E makes it timely to review the present structure and the current financial climate also makes it imperative that we take this opportunity to reduce our management costs. It is important, though, that we retain and, if possible, enhance the organisation's capacity and capability to deal with the challenging times ahead.

#### 2. Proposed changes

- 2.1 The proposed changes to the current structure are set out in Appendix A. Staff are being consulted on these proposals and the results of that consultation will be tabled at the meeting.
- 2.2. In headline terms, the changes involve a reduction in the number of Heads of Service from 8 to 5, and some transfers of teams between service areas to strengthen collaborative working. It is envisaged that all of the posts in the new structure will be filled from within the existing Heads of Service team, either by assimilation (where the new post is substantially the same as the old post), or through a competitive appointment process where the new post is substantially different from existing posts. The recent announcement by Alison Cressey, Head of Customer Services, that she is leaving in April to take up a new post elsewhere, means that one of the existing posts will become vacant anyway.
- 2.3 The structure at middle manager level in the two new services, provisionally called Customer Services and Resources & Organisational Development in the proposals, will need to be considered by the new Heads of Service when they are in post.

### 3. Financial implications

3.1 The cost of three Heads of Service posts, including oncosts such as employer's NI and pension contributions, is around £240k. A reduction of three posts would therefore generate annual savings of that order, less any one-off costs of redundancy and / or early retirement in 2010. However, it is probable that some additional resource will need to be built into the structure at middle manager level to achieve the level of capacity and capability referred to in paragraph 1.4 above, and the likely net savings are expected to be around £100k. SMT will bring forward further proposals in this respect in due course.

### 4. Recommendations

4.1 Members are recommended to:

- note the responses received during the consultation period;
- consider the proposed management structure and recommend its approval by the Policy & Resources Committee; and
- note the intention to review the middle manager structure following the appointment of the new Heads of Service and bring forward further proposals at that stage

<b>Implications:</b>	
<b>Corporate Outcomes or Other Policy/Priority/Strategy</b>	
Good Quality of Life	<input type="checkbox"/> Good Reputation <input type="checkbox"/>
Good Value for Money	<input checked="" type="checkbox"/> High Quality Service Delivery <input type="checkbox"/>
Effective Partnership Working	<input type="checkbox"/> Strong Community Leadership <input type="checkbox"/>
Effective Management	<input checked="" type="checkbox"/> Knowledge of our Customers and Communities <input type="checkbox"/>
Employees and Members with the Right Knowledge, Skills and Behaviours	<input checked="" type="checkbox"/>
<b>Other:</b>	<input type="checkbox"/>
Decision(s) would be outside the budget or policy framework and require full Council approval	<input type="checkbox"/>
<b>Financial</b>	There are no financial implications at this stage <input type="checkbox"/>
	There will be financial implications – see paragraph 3.1 <input checked="" type="checkbox"/>
	There is provision within existing budget <input checked="" type="checkbox"/>
	Decisions may give rise to additional expenditure at a later date <input type="checkbox"/>
	Decisions may have potential for income generation <input type="checkbox"/>
<b>Risk Management</b>	An assessment has been carried out and there are no material risks <input checked="" type="checkbox"/>
	Material risks exist and these are recorded at Risk Register Reference - inherent risk score - residual risk score - <input type="checkbox"/>
<b>Staff</b>	There are no additional staffing implications <input checked="" type="checkbox"/>
	Additional staff will be required – see paragraph <input type="checkbox"/>
<b>Equalities and Human Rights</b>	There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications <input checked="" type="checkbox"/>
	There will be an impact on equality (see categories above) or human rights implications – see paragraph <input type="checkbox"/>
<b>Legal</b>	Power: Local Government Act 1972, section 112
	Other considerations:
<b>Background Papers:</b> None	
<b>Person Originating Report:</b> David Oliver, Chief Executive	
<b>Date:</b> 4 February 2010	
<b>CFO</b>	<b>MO</b>
	<b>CX</b>



## APPENDIX A

### Management Restructure – Proposed Changes

SMT has been reviewing the current management structure and, following discussions with the Member Budget Review Group, is proposing a number of changes.

At the last reorganisation in November 2006, four existing posts were deleted and two entirely new roles were created – Head of Customer Services and Head of Organisational Development – thereby reducing the number of Heads of Service (HoS) from 10 to 8.

That structure created some capacity at HoS level, which we subsequently used to take forward initiatives around employee development and customer insight through the A4E programme. Given the financial pressures we now face and the strong base for change and improvement that A4E has provided, now is the right time to move to a slimmer management structure.

SMT is proposing the following changes:

- Merge Customer Services and Revenues & Benefits. This is a common structure in other councils, and recognises that the majority of our direct contact with customers, particularly face-to-face but also by phone, is in relation to Revenues & Benefits services.
- Merge Resources and Organisational Development (OD).
- Split Policy & Community Development (PCD) between Customer Services and Resources & OD as follows:
  - Communications and Community Development to Customer Services
  - Policy & Performance and External Funding to Resources & OD

We also propose to:

- Transfer Community Safety from Environmental Services to Customer Services and merge it with Community Development
- Transfer Land Charges from Planning Services to Customer Services
- Transfer Housing Strategy from Planning Services to Environmental Services and merge it with Private Sector Housing
- Transfer the management of web content to Communications

We will need to decide whether management of the relationship with CCP sits in Customer Services or Resources & OD.

The net effect of this is the following Heads of Service structure.

#### Customer Services:

- Customer Services (including Land Charges)
- Revenues
- Benefits (including Counter-Fraud)
- Community Services (comprising Community Development and Community Safety)
- Communications

#### Resources & OD:

- Financial Services (including managing the relationships with EnCor, the Welland Procurement Unit and Internal Audit Consortium, NCC's Risk Management advisor and the Audit Commission)
- Policy & Performance
- Legal Services
- Elections & Democratic Services, including the Print Room
- HR and Business Analysis
- Facilities Management & Amenities
- External Funding
- Central Administration

#### Environmental Services:

- Environmental Protection
- Commercial Health (including Licensing)
- Waste Management
- Housing

ICT (unchanged, although Gareth Jones is planning a restructure at middle manager level within his service in the light of the experience to date of the partnership with BCW):

- External Support
- Internal Support
- Infrastructure Management
- Information Governance
- Programme Management

#### Planning Services:

- Planning Policy
- Development Control
- Building Control
- Economic Development

In addition to reducing the number of HoS from 8 to 5, there will be a need to consider the structure of middle management once the initial changes referred to above have been completed. There is likely to be a need to create some new posts below Head of Service level to provide support in key areas.

David Oliver  
28 January 2010