



Derby City Council

PERSONNEL COMMITTEE
15 February 2018

ITEM 5

Report of the Strategic Director of Communities and Place, and Deputy Chief Executive

Senior Management Restructure Proposal

SUMMARY

- 1.1 The Chief Executive carried out a review of the current senior management capacity and structure, having considered the strategic priorities of the Council and its senior management team, and following the external auditor's public interest report. The Chief Executive has proposed that additional capacity is needed at a senior level, including the requirement for a Strategic Director of Corporate Resources which has already been approved and is being advertised.
- 1.2 Phase 1 of a proposal to restructure tiers 1 - 3 of senior management, Strategic Directors to Head of Service, which will provide additional capacity and resilience, has been consulted on. A proposal for Phase 2 will be developed later in 2018 following the appointment of both the incoming Chief Executive and the Strategic Director of Corporate Resources. Phase 2 will be the subject of a future report for Personnel Committee.
- 1.3 The report summarises the proposals for Phase 1 and seeks the agreement of Personnel Committee to agree the new structure and its implementation.

RECOMMENDATION

- 2.1 To agree the proposed structure for Communities and Place Directorate, identified in Appendix 2. To also agree to confirm the temporary Director of Communities and Place position as permanent. To agree the structure implementation in line with the Council's Consultation, Restructuring and Redundancy process.
- 2.2 To agree that the departments that currently form the Organisation and Governance Directorate will transfer to the newly created directorate of Corporate Resources, led by the Strategic Director of Corporate Resources. To note that with the interim senior management changes in relation to the vacant Chief Executives post, some of these services will be managed by the Director - Communities and Place.
- 2.3 To agree to the permanent establishment and recruitment of a Director of Human Resources and Organisational Development post, and the temporary establishment and temporary recruitment of a Director of Property Services within the newly created directorate of Corporate Resources.

- 2.4 To agree that the remainder of the structure for the Corporate Resources Directorate will be the subject of a consultation process later in 2018.

REASONS FOR RECOMMENDATION

- 3.1 Phase 1 of the corporate senior management restructure provides additional strategic capacity and assurance to the Council's senior management team to better deliver the Council's priorities.
- 3.2 The creation of the role of the Strategic Director of Corporate Resources was approved by Personnel Committee in November 2017, and the Committee was advised at the time that it was anticipated that the services reporting to the role may include Finance and Accountancy, HR, Legal and Assurance, Digital and Customer Services and also Property Services. Aligning most of these functions to the Strategic Director role at the outcome of Phase 1 of the restructure provides some direction and stability for those services whilst proposals about the services are developed and consulted on within Phase 2 of the restructure later in 2018.
- 3.3 Establishing the permanent post of Director of Human Resources and Organisational Development will bring enhanced professional capacity and drive to key issues at an important time for the Council. The establishment of a temporary Director of Property Services brings much needed priority capacity in the immediate term, and the ability to consider longer term options for the services.

SUPPORTING INFORMATION

- 4.1 Derby City Council is entering a period of unprecedented change and a revised senior management structure is needed across tiers 1 to 3 that is sufficient and robust enough to take forward the challenges the Council is expecting to face over the next few years.
- 4.2 Proposals for a corporate restructure have been developed and have been the subject of a formal consultation process. Phase 1 of the proposed restructure primarily affects the Communities and Place and Organisation and Governance Directorates. The proposals see the creation of a new Corporate Resources Directorate and the alignment of all the services from Organisation and Governance and some services from Communities and Place within the new directorate, albeit with some different interim management arrangements prior to the Phase 2 restructure. In addition, it is proposed to establish a permanent Director of Human Resources and Organisational Development role and a temporary Director of Property Services within the new directorate. The proposals also involve the reconfiguration of a number of services within the Communities and Place Directorate.

- 4.3 Proposals for Phase 2 of the restructure will be developed later in 2018 and will be the subject of a separate consultation process. The incoming Chief Executive and Strategic Director of Corporate Resources will be able to shape and drive forward proposals for Phase 2 of the restructure. The outcome of consultation on the Phase 2 proposals will be the subject of a future report for Personnel Committee.
- 4.4 A summary of the feedback on Phase 1 of the proposal is attached at Appendix 3.
- 4.5 As a result of the feedback, the proposed structure for the Communities and Place Directorate is identified in Appendix 2, with the alignment of services from Organisation and Governance into a new directorate of Corporate Services also detailed in Appendix 2.

OTHER OPTIONS CONSIDERED

- 5.1 Do nothing. This is not considered to be a viable option due to the need to provide additional capacity and resilience for the Council's senior management team.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Olu Idowu, Head of Legal Services Amanda Fletcher, Head of Finance Liz Moore, Head of HR
For more information contact: Background papers: List of appendices:	Christine Durrant 01332 642434 christine.durrant@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Structure charts of Current Management Structure, Communities & Place, Organisation & Governance and Structure chart of proposed structure for Phase 1 Appendix 3 – Summary of feedback on Phase 1 Appendix 4 – Achieving Change

IMPLICATIONS

Financial and Value for Money

- 1.1 A financial assessment of the total restructure has confirmed that the additional cost can be contained within the £500k pressure funded in the 2018/19 revenue budget. The additional ongoing costs of the changes that arise as a result of this report are estimated to be £310k and are included in the overall financial assessment of the restructure.

Legal

- 2.1 None arising directly from this report.

Personnel

- 3.1 The restructure proposal and consultation process has been carried out in line with the Council's Consultation, Restructuring and Redundancy process. The Council's process will continue to be followed for the implementation stage. If any newly established roles are to be externally advertised, the Council's recruitment process will be followed.

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- 4.1 None arising directly from this report.

Equalities Impact

- 5.1 The restructure proposal and consultation process has been carried out in line with the Council's Consultation, Restructuring and Redundancy process. An EIA will be completed as part of the process.

Health and Safety

- 6.1 None arising directly from this report

Environmental Sustainability

- 7.1 None arising directly from this report.

Property and Asset Management

- 8.1 None arising directly from this report.

Risk Management and Safeguarding

- 9.1 Increasing the senior management team capacity would provide greater resilience at the senior officer level and should contribute positively to risk management.

Corporate objectives and priorities for change

- 10.1 A modern, flexible and resilient workforce