



Review of Departmental Structure 2005

RECOMMENDATION

1. The Leader recommends Council to:
 - 1.1 Approve the new five-director structure for implementation with effect from 1 January 2006 and to approve the slotting-in of the four existing chief officers as follows:
 - Michael Foote, Deputy Chief Executive
 - John Winters, Corporate Director Environmental Services
 - Jonathan Guest, Corporate Director Regeneration and Community
 - Paul Dransfield, Corporate Director Finance and Performance.
 - 1.2 Appoint an Ad Hoc Restructuring Committee made up of the following five members:
 - Councillor Williamson (Chair)
 - Councillor Roberts
 - Councillor Wynn
 - Councillor Jones
 - Councillor Hickson.
 - 1.3 Delegate to the Ad Hoc Restructuring Committee the making of interim arrangements needed to facilitate moving to these new arrangements and the determination of the detailed structures for the implementation on 1 April 2006, including setting up Appointments Panels where necessary and changes to the Council's Constitution.

SUPPORTING INFORMATION

- 2.1 The present structures have successfully delivered excellent results for the Council. However, there are now significant drivers for change. The government's agenda, which includes children, older people and locality, the retirement of the Director of Policy and the need to continue to strive for improvement, mean that the time is right to consider a new structure.

- 2.2 Earlier this year, IDeA was commissioned to undertake a review. Their report “towards a new corporate management team structure” recommended that the Council move to a five strategic director option. It was initially considered that an interim move to a six-director model before finally moving to a five-director model might be a stepped way forward. The six-director model was proposed following discussions with the last administration.
- 2.3 In the light of feedback received on this proposal and recommendations by the new administration, it is now proposed to move directly to a five-director model. We believe that this is more balanced, gives a more effective management structure and represents better value for money.
- 2.4 The proposed structure is set out in appendix 2. The structure meets our requirement for all directors to have similar roles incorporating a mix of:
- change
 - strategy
 - developing partnerships
 - performance management
 - corporate and service planning
 - service delivery
 - area working.
- 2.5 The change of the title to Corporate Director reflects the need for a shift of emphasis towards change and strategy. However, we must not lose our focus on service delivery and performance management which are strengths of the current arrangements. This has implications for both design of the structure and working arrangements at second and third tier level. In particular, consideration will need to be given to whether the management of some critical services will require the creation of a service director role.
- 2.6 It is emphasised that the functions shown under each Corporate Director are indicative and will be the subject of further consideration and consultation during December and January. It is intended that the new structure will be fully implemented on 1 April 2006.
- 2.7 This target date is challenging but realistic given that the majority of staff will move to the new structure within their existing service blocks. However, there are some areas of the structure where the issues have greater complexity and a more substantial piece of work will be required extending over a longer time frame. Examples would be some aspects of support services and areas of service where the new structure presents opportunities to achieve better integration and promote service efficiency.
- 2.8 The key changes compared with the six director model put out to consultation over the summer are as follows:

2.8.1 Children and Young People's Services

No fundamental changes except that the Adult Learning and the Youth Service will stay with the rest of the education function within this directorate. This will respond positively to comments made on the original structure. Other aspects of Lifelong Learning such as sports development, sports centres and community centres will be transfer to Environmental Services to be managed alongside parks and recreation.

2.8.2 Environmental Services

Added to the current Commercial Services are aspects of Lifelong Learning set out above, Environmental Health and Trading Standards, Street Care and Waste.

2.8.3 Regeneration and Community

Largely remains unchanged from the original model except that operational aspects of Streetcare and Waste will transfer to Environmental Services.

2.8.4 Finance and Performance

It is suggested that Housing and Advice could fit reasonably as Finance already play a major role in Housing Revenue.

2.8.5 Deputy Chief Executive

Responsibility for Adult Social Care has been added. The emerging Adult Social Care agenda will require us to further develop our thinking on partnership working with the health community and specifically the Primary Care Trusts. Locating this function with the Deputy Chief Executive recognises the importance of this debate and will allow us to be flexible in any future discussions on partnership working. Robust arrangements for day-to-day management of the service will need to be put in place.

2.9 Further decision making

There will be a need for interim arrangements to be put in place from 1 January 2006 arising in particular from the Director of Policy's retirement from that date. It is proposed that Council establish a small ad hoc committee to deal with these arrangements and to approve the detailed structures to be operated from 1 April 2006.

CONSULTATION

- 3.1 The move to a Corporate Director model has been the subject of consultation over the summer period and the comments received have been taken into account in framing the five director model, which has the support of all the Chief Officers.
- 3.2 The next phase involves the development of proposals for the structure at second and third tier levels which will include reaching conclusions on the final make up of functions located under each Director.

- 3.3 I will be working with the Chief Officer team to produce proposals for consultation during the period December 2005/January 2006.
- 3.4 Arrangements are being made through the Corporate Communications team to ensure that an effective communications and consultation process is in place which fully engages with all stakeholders and partners. As this next phase of the reorganisation will more directly affect staff, this will include provision for face to face briefings with staff teams.

IMPLICATIONS

Financial

1. The introduction of the five-director model will result in savings at Chief Officer level of approximately £230,000 per annum in a full year at current salary levels including on costs as a result of the reduction in the number of directors from seven to five. This will be offset by any changes in salary levels subsequently approved by Members in relation to the new roles. A separate report on the agenda deals with salaries for corporate directors and includes detailed financial implications. A full financial appraisal of the new structure will be included in the report setting out the detailed structures for implementation on 1 April 2006.

Legal

- 2.1 It is a statutory requirement for the Council to appoint a director with responsibility for Children's Services.
- 2.2 The effect of the proposed delegations to the Ad Hoc Restructuring Committee will be to give the Committee the power to take decisions in relation to the restructure that would otherwise have had to be taken by full Council.

Personnel

- 3.1 Chief Officers are aware of these proposals as they are individually affected.
- 3.2 The arrangements to appoint to the post of Director for Children and Young People were agreed by Council on 14 September. This post has been ring fenced to eligible candidates from the Council and its partners in Derby City Partnership. Andrew Flack, Director of Education, has been appointed to this post.
- 3.3 The delivery of the five-director model requires one chief officer to leave under voluntary early retirement. A separate report on the agenda deals with the terms of this retirement.
- 3.4 The remaining directors will slot into their revised roles.
- 3.5 Any reorganisation of this nature is potentially unsettling for staff. Arrangements are being made to ensure that a robust and effective consultation and communication process is in place. It is anticipated that the majority of staff will move to the new structure as part of their service block. However, opportunities must be taken to achieve better integration and promote service efficiency. Where this results in jobs being placed at risk, the Council's normal arrangements will apply which include access to redeployment.

Equalities impact

4. The changes will be managed in a way which reflects best practice in relation to equalities.

Corporate objectives and priorities

5. The proposals support all of the Council's objectives and priorities.

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Proposed structure

Chief Executive

Corporate Director Children and Young People	Corporate Director Environmental Services	Corporate Director Regeneration and Community	Corporate Director Finance and Performance	Deputy Chief Executive
With responsibility for:	With responsibility for:	With responsibility for:	With responsibility for:	With responsibility for:
Lifelong Learning and Community Services	Facilities Management	Community Policy	ICT and Performance Management	Democratic Services
*Children and Families	Sports Centres/Sports Development	Partnerships	Customer Services	Legal Services
*School Services	Works and Engineering	Cultural Services	Corporate Finance	Property Services
Area Panel Co-ordination	Street Care and Waste	Planning and Development	Financial Services	Human Resources
	Environmental Health and Trading Standards	Highways/Transport	Housing Services	*Adult Social Care
	Area Panel Co-ordination	Area Panel Co-ordination	Area Panel Co-ordination	Area Panel Co-ordination

*Possible Service Director functions

Note – the functions under each Director are indicative and will be determined finally later in the process