



CORPORATE RESTRUCTURE

SUMMARY

- 1.1 This report sets out proposals to restructure the 2nd to 4th tiers of the organisation as part of the budget saving proposals for 2011/12.
- 1.2 As agreed at Full Council in September, responsibility for personnel issues has been delegated to officers so this report is presented to Cabinet for information.

RECOMMENDATIONS

- 2.1 Cabinet is asked to note...
 - The proposed changes to the structures as outlined within the report.
 - The revised structure charts included in Appendices 2 – 6.
 - The indicative budget savings as outlined in paragraphs 4.15 – 4.17.
 - The implementation timetable for these changes as outlined in paragraph 4.20.

REASONS FOR RECOMMENDATIONS

- 3.1 These proposals help to achieve required budget savings more efficiently, and to align the Council's management structures moving forward with the changing size and shape of the organisation.

SUPPORTING INFORMATION

- 4.1 As part of the budget saving proposals for 2011/12, Cabinet agreed that there should be a review of the 2nd (Service Directors), 3rd (Heads of Service) and 4th (Service Managers) management tiers within the organisation with a view to delivering at least £1.2million of savings from 2011/12.
- 4.2 In May 2010 the restructure of tiers 2 and 3 was completed. However since then the environment in which the Council is operating has changed dramatically and the need to deliver significant savings across the Council means that the size of the workforce will reduce considerably over the next three years. There is therefore a need to review the current management structures with a view to reflect the changing size and shape of the organisation as well as to help deliver the budget savings required.

- 4.3 Each Strategic Director was tasked with reviewing the management structures within their Directorate. This report sets-out the proposed changes by Directorate. Current and future proposed structures at tiers 1-3 are shown in the appendices to this report.

Resources Directorate

- 4.4 The following changes are proposed within the Resources Directorate...
- 1) The HR function will move from the Resources Directorate to the Chief Executive's Office – see paragraph 4.12 (1).
 - 2) Two Group Accountant posts (PO4) will be deleted from the structure at Tier 4.
 - 3) One ICT management post (PO5) at Tier 4 will be deleted.
 - 4) The post of Director of Customer Services will be renamed Director of Customer Management to reflect their role in customer management function as part of the new operating model for the Council.
- 4.5 The current and proposed structure charts for the Resources Directorate from tiers 1-3 are shown in Appendix 2.

Neighbourhoods Directorate

- 4.6 The following changes are proposed within the Neighbourhoods Directorate...
- 1) The Planning and Transportation Department will be split with highways and transport related activities being merged into the Streetpride Department and Regulatory Services such as Planning and Building Control being merged into the Environment and Regulatory Services Department. The Service Director post for Planning and Transportation will be deleted.
 - 2) The Head of Engineering post currently in the Planning and Transportation Department will be deleted.
 - 3) There will be a reduction of two Head of Service posts within Streetpride. One Head of Service post will be transferred over from the Planning and Transportation Department.
 - 4) The Head of Service posts for Museums and Libraries will be merged with the deletion of one Head of Service post.
 - 5) The post of Head of Spatial and Transport Planning will be renamed the Head of Spatial Planning and Public Realm.
 - 6) The post of Head of Planning will be renamed the Head of Development Control and Conservation.
 - 7) A new post of Director of Facilities Management will be created. The post will have three Heads of Service...
 - a Head of Facilities and Maintenance which replaces the Head of 3Cs and the Head of Maintenance posts currently within the Asset Management Department in the Chief Executive's Office.
 - b Head of Design, Energy and Climate Change which replaces the Head of Design and the Head of Climate Change and Energy Management within the Asset Management Department in the Chief Executive's Office.
 - c Head of Corporate Health and Safety which will move from the Environment and Regulatory Services Department.
 - 8) The Neighbourhoods Team will be moved into the Chief Executive's Office and will be renamed Community Empowerment – see paragraph 4.12 (9).

- 4.7 The current and proposed structure charts for the Neighbourhoods Directorate from tiers 1-3 are shown in Appendix 3.

Children and Young People's Directorate

- 4.8 The following changes are proposed within the CYP Directorate...

- 1) The post of Director of Integrated Services will be renamed Director of Integrated Safeguarding.
- 2) The six Head of Service posts within the Integrated Services Department will be replaced with four Head of Service Posts...
 - a. Head of Locality 1/5 / Integrated Youth Services lead
 - b. Head of Locality 2 / Under 5's lead
 - c. Head of Locality 3/4 / Principal Education Welfare Service lead
 - d. Head of Social Care Fieldwork
- 3) The Department for Specialist Services will consist of four Heads of Service...
 - a. Head of Behavioural Support
 - b. Head of Integrated Disabled Children's Services
 - c. Head of Children in Care
 - d. Head of Quality Assurance
- 4) The Department for Learning and Inclusion will move from four Heads of Service to three...
 - a. Head of Quality Standards and Performance
 - b. Head of Adult Learning
 - c. Head of Service Inclusion
- 5) In the Department for Strategy and Commissioning, the Director of Strategy and Commissioning post will be renamed Director of Commissioning. The number of Head of Service posts (after one has been transferred to Specialist Services) will move from four to two...
 - a. Head of Integrated Commissioning
 - b. Head of School Place Planning and Organisation
- 6) One 4th tier post in Family Learning will be deleted.

- 4.9 Discussions are taking place with the PCT about the potential of confirming the Head of Integrated Commissioning post as a shared post for Children's Commissioning.

- 4.10 The current and proposed structure charts for the CYP Directorate from tiers 1-3 are shown in Appendix 4.

Adults Health and Housing Directorate

- 4.11 The following changes are proposed within the AHH Directorate...

- 1) The post of Director of Housing and Advice Services will be deleted.
- 2) The post of Head of Strategy and Performance within Housing will be deleted. The performance function to be centralised and a number of options for Advice Services to be explored, including outsourcing. The Service Director, Putting People First, will host the strategic housing function and manage the client side relationship with Derby Homes.
- 3) The post of Head of Private Sector Housing and Supporting People will be transferred to the Department of Learning Disabilities and Mental Health.
- 4) The post of Head of Housing Options will report directly to the Strategic Director.

- 5) The Department for Older People and Physical Disabilities will have three Head of Service posts...
 - a Head of Commissioning
 - b Head of Assessment and Support Planning
 - c Head of Provided Services
- 6) One Residential Service Manager (PO3/4) post at 4th tier will be deleted.
- 7) One Service Manager Home Support (PO3/4) post at 4th tier to be deleted.

4.12 The current and proposed structure charts for the AHH Directorate from tiers 1-3 are shown in Appendix 5.

Chief Executive's Office

4.13 The following changes are proposed within the Chief Executive's Office...

- 1) The HR function will move from Resources to the Chief Executive's Office and a new post of Director of Business Transformation and People established to bring together the work of the transformation programme (business transformation) with the HR elements of change (people transformation).
- 2) The three existing Head of Service posts within HR will be replaced with two new posts...
 - a Head of HR Operations
 - b Head of Workforce Change
- 3) The Director of Business Transformation and People will also be responsible for the Head of Business Transformation and the Head of Business Support.
- 4) The post of Director of Asset Management will be deleted.
- 5) The post of Head of Estates will move under the Director of Regeneration.
- 6) The posts of Head of Maintenance, Head of Climate Change and Energy Management and Head of 3Cs will be moved into Neighbourhoods under the new post of Director of Facilities Management and will be reconfigured – see paragraph 4.6 (7).
- 7) The post of City Centre Manager (PO3) will be deleted and the work of the City Centre Management Team split between the CSP, Neighbourhoods and Regeneration Departments.
- 8) Responsibility for Conservation and Public Realm will be moved from the Regeneration Department to the Neighbourhoods Directorate.
- 9) The post of Director of Policy, Performance and Communication will be renamed Director of Policy, Performance and Engagement to reflect the additional responsibility for Community Empowerment moving from the Neighbourhoods Directorate.
- 10) The Director of Derby City Partnership (DCP) post will be deleted and the work of DCP will be merged with the renamed Policy, Performance and Engagement Department within the Council.
- 11) The post of Head of Research and Intelligence within the Community Safety Partnership (CSP) will be deleted.

4.14 The current and proposed structure charts for the Chief Executive's Office from tiers 1-3 are shown in Appendix 6.

4.15 A summary of the overall reductions at tiers 2 and 3 are shown below...

Tier 2 – Service Directors

	Current	Proposed
Resources	5	4
Neighbourhoods	4	4
Children and Young People	4	4
Adults, Health and Housing	4	3
Chief Executive's Office	5	4
Total	22	19

Tier 3 – Heads of Service

	Current	Proposed
Resources	18	15
Neighbourhoods	17	14
Children and Young People	20	13
Adults, Health and Housing	12	10
Chief Executive's Office (See note)	13	12
Total	80	64

Note: Some functions such as HR and Community Empowerment have moved from other Directorates into the Chief Executive's Office.

4.16 Based on these proposed changes, the potential savings from tiers 2 and 3 are as follows...

	Service Directors (£)	Heads of Service (£)
Resources	90,000	180,000
Neighbourhoods	0	120,000
Children and Young People	0	420,000
Adults, Health and Housing	90,000	120,000
Chief Executive's Office	90,000	60,000
Sub-Totals	270,000	900,000
Total		1,170,000

Based on £90,000 for a Service Director (including on-costs) and £60,000 for a Head of Service.

A proportion of one Service Director post and one Head of Service post is funded by the Housing Revenue Account (HRA) so some of the savings delivered by the deletion of these posts will go back to the HRA.

4.17 In addition to the 2nd and 3rd tier review savings identified above, the following additional savings are anticipated from tier 4 as outlined within the report...

	Tier 4 Savings (£)
Resources	138,730
Neighbourhoods	0
Children and Young People	58,000
Adults, Health and Housing	90,350
Chief Executive's Office	42,075
Total	329,155

- 4.18 The total potential savings from the proposals outlined within this report are £1,499,155. Tier 4 posts are included within the 'one Derby, one council' transformation savings so while these posts should still be deleted, the savings generated should be allocated against the transformation savings target.

Implementation

- 4.19 Implementation of these proposals will follow a similar format to the 2nd and 3rd tier restructure completed in May this year. Consultation with all Directors, Heads of Service and those affected at 4th tier as well as the Trade Unions will start immediately and will last for 30 days. Feedback from the consultation will be considered and where appropriate amendments made to the proposed structures before these are signed off by the Strategic Director of Resources.
- 4.20 Officers at 2nd and 3rd tier will be matched to posts in the new structure. They will be slotted in without further assessment if the role is substantially unchanged or be required to participate in a selection process where roles have changed.
- 4.21 The proposed implementation timetable for these changes is outlined below...

Activity	Date
Open consultation with affected officers	w/c 22 November 2010
Consultation closes	23 December 2010
Implementation of revised structures	By 31 March 2011

OTHER OPTIONS CONSIDERED

- 5.1 These proposals reflect the best option for re-aligning the management structures of the Council with the changing size and shape of the organisation as well as delivering the required budget savings agreed by Cabinet.

For more information contact:
Background papers:
List of appendices:

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Appendix 1 – Implications

Appendix 2 – Current and Proposed Structure Charts – Resources

Appendix 3 – Current and Proposed Structure Charts – Neighbourhoods

Appendix 4 – Current and Proposed Structure Charts – CYP

Appendix 5 – Current and Proposed Structure Charts – AHH

Appendix 6 – Current and Proposed Structure Charts – Chief Executive's Office

IMPLICATIONS

Financial

- 1.1 These proposals have the potential to deliver savings of up to £1.5m from 2011/12 onwards. Any redundancy costs associated with these changes will be funded from the transformation reserve created for this purpose.

All of the posts identified have been costed at the penultimate scp with on-costs at 25% and a reduction of 5% to account for the turnover reduction built into salary budgets.

Further work is required to clarify funding arrangements for posts funded from non general fund budgets as this will have an impact reducing the savings identified.

As outlined in the report the savings assume that there will be limited growth in 4th tier structures to accommodate the proposed reductions in T2/3/4 that have been identified. Any additional tier 4 posts will mean a reduction in the overall savings achieved.

Legal

- 2.1 None contained within this report.

Personnel

- 3.1 The personnel implications of this restructure are set-out within this report. The timetable included at paragraph 4.20 outlines the proposed consultation mechanisms with staff, Trade Unions and Members.

Equalities Impact

- 4.1 None contained within this report. An Equalities Impact Assessment will be prepared as part of the implementation of the revised structures.

Health and Safety

- 5.1 None contained within this report.

Carbon commitment

- 6.1 None contained within this report.

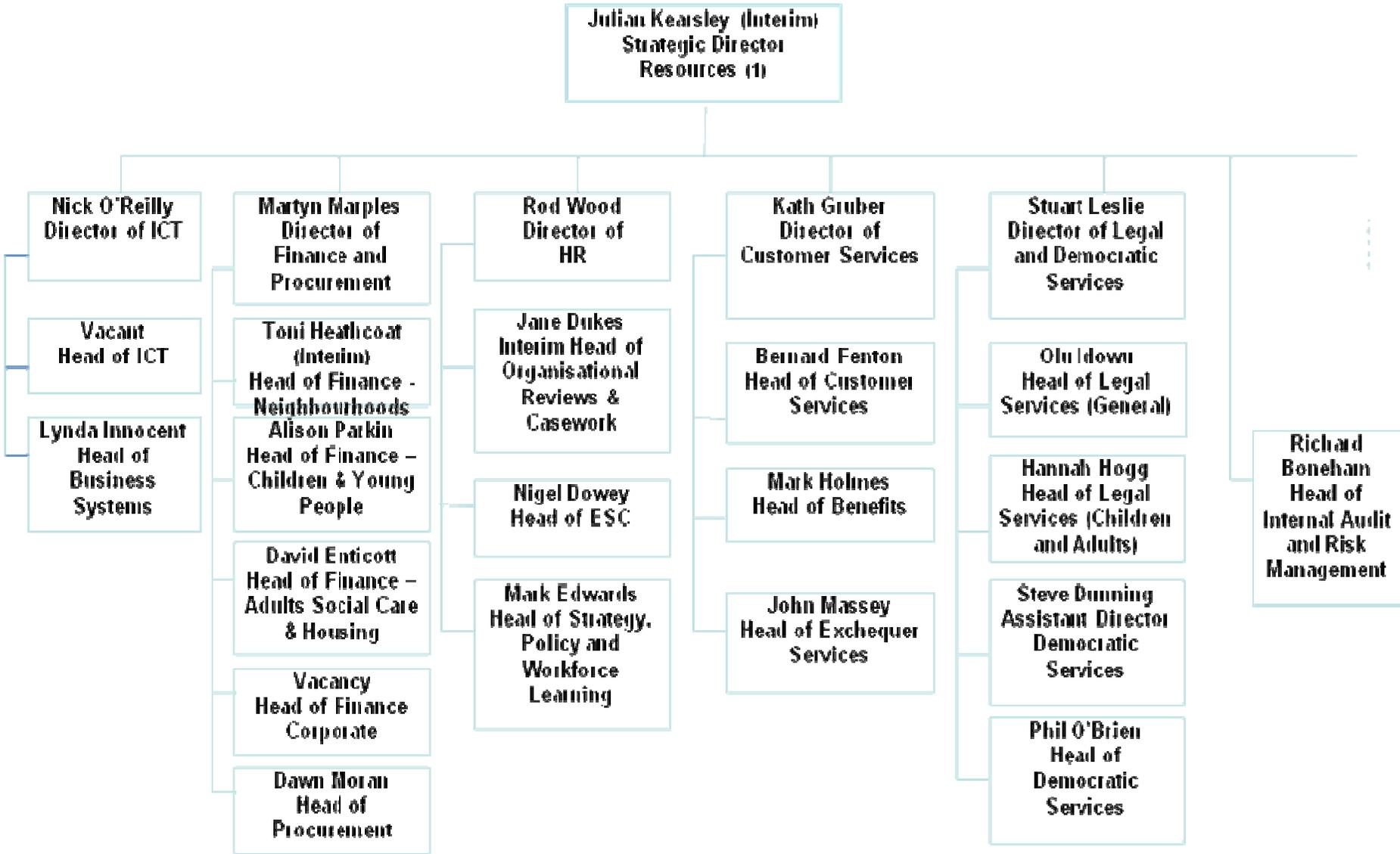
Value for money

- 7.1 The proposals outlined within this report will help deliver savings required to address the current budget gap within the Council.

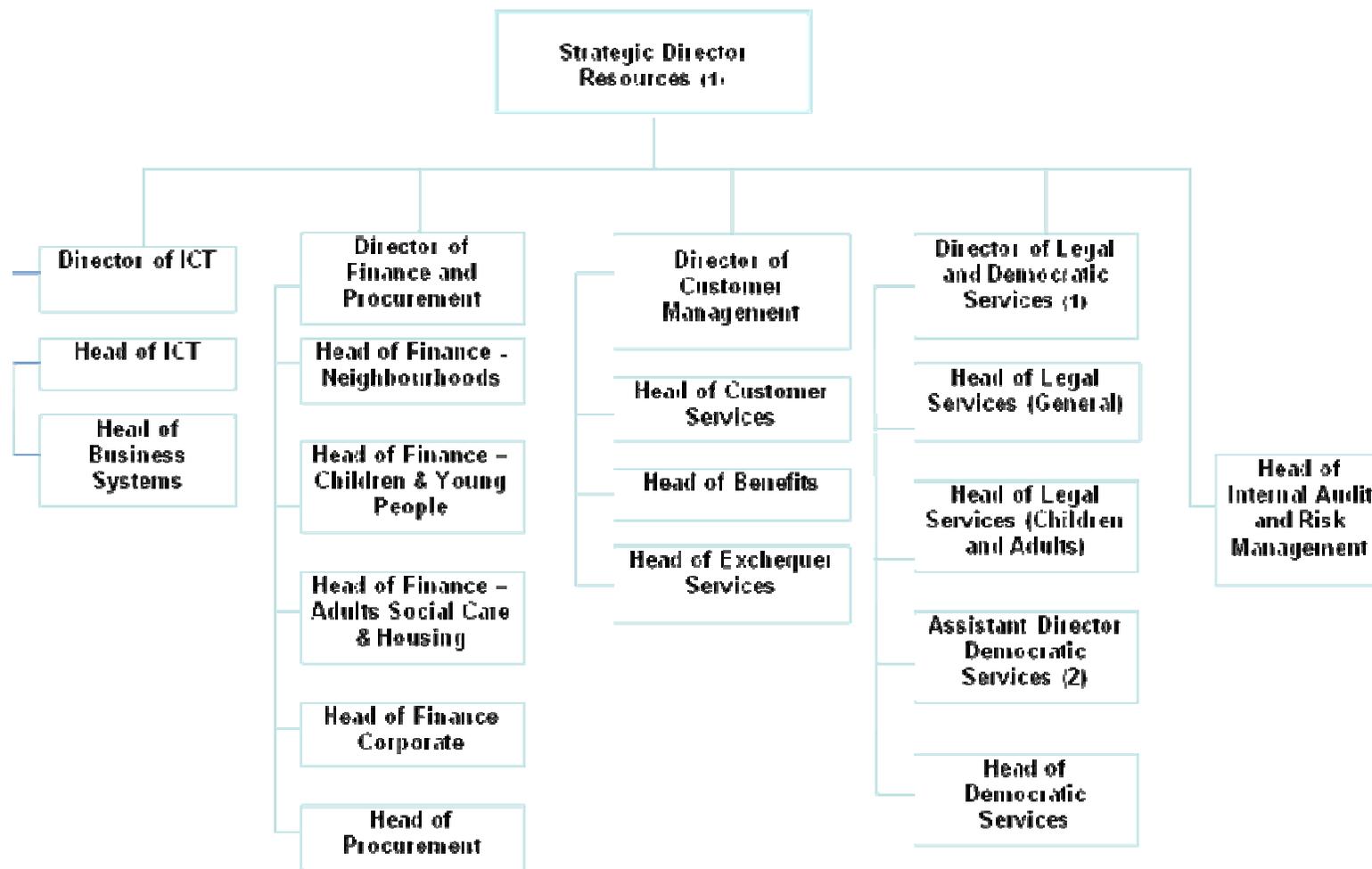
Corporate objectives and priorities for change

- 8.1 'one Derby, one council' is the key element of delivering the Council's organisational development priority.

Resources Directorate Current Structure Tiers 1-3



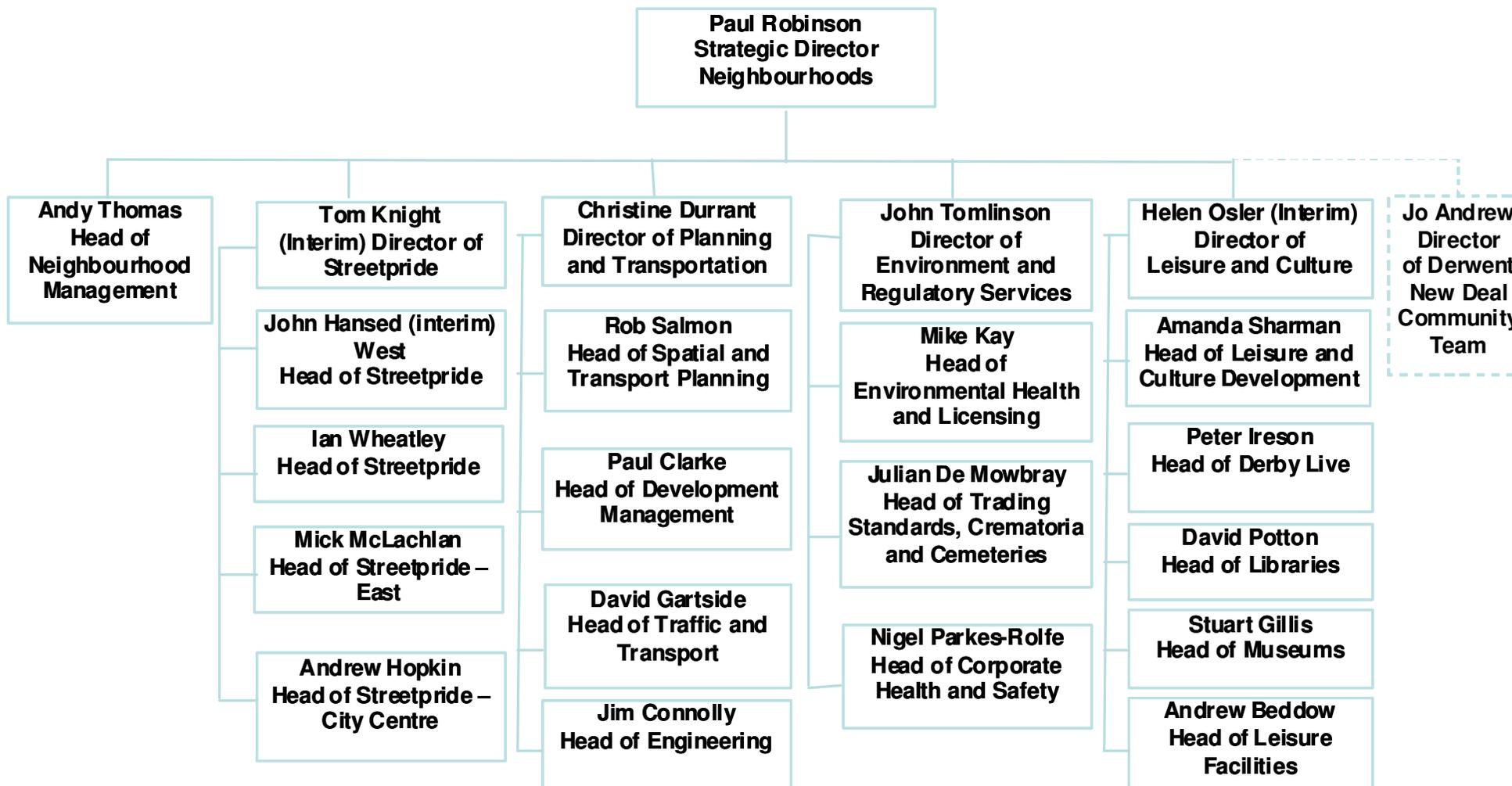
Resources Directorate Proposed Structure Tiers 1-3



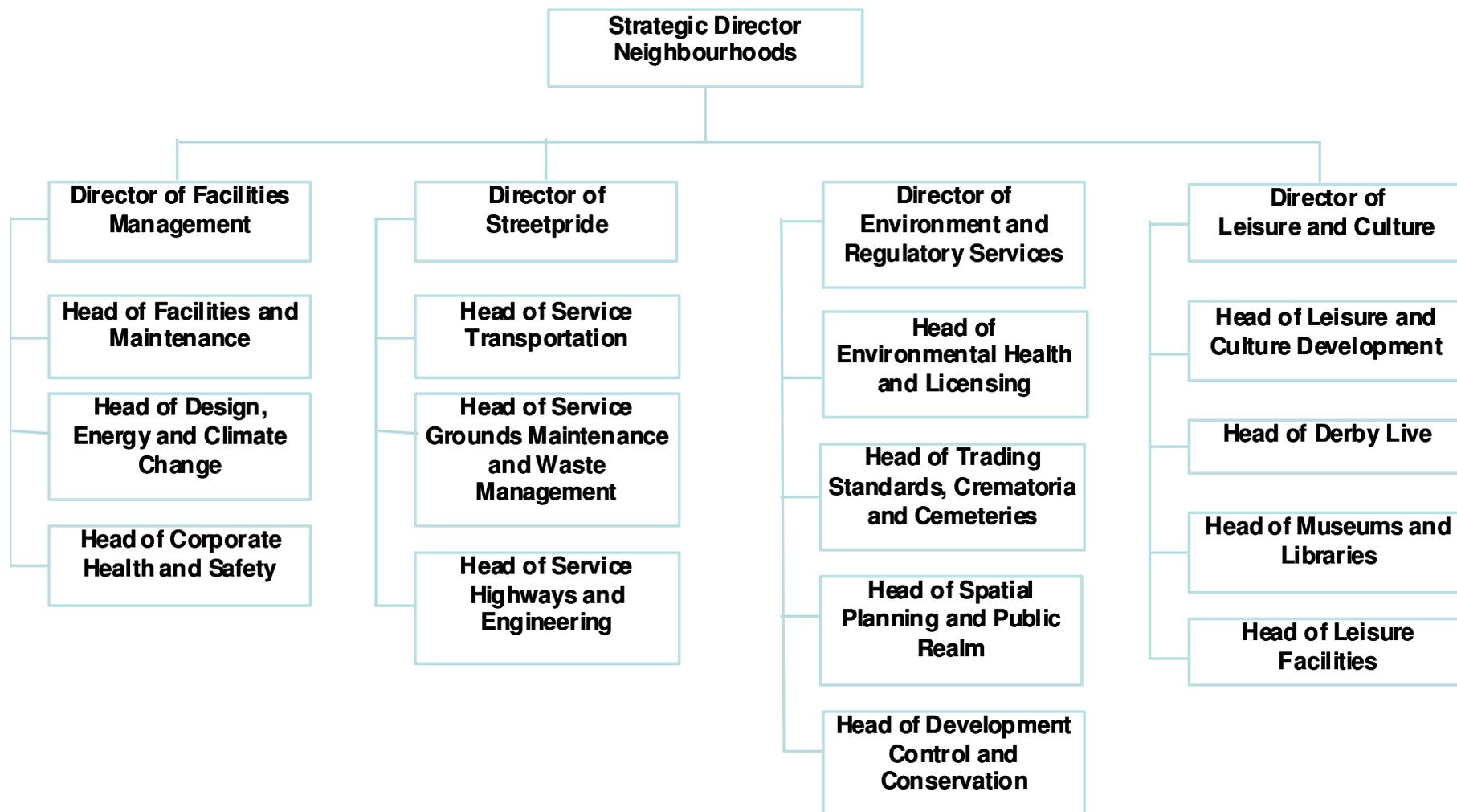
Notes:

- (1) Denotes a statutory role.
- (2) Fixed-term post to 31 March 2012.

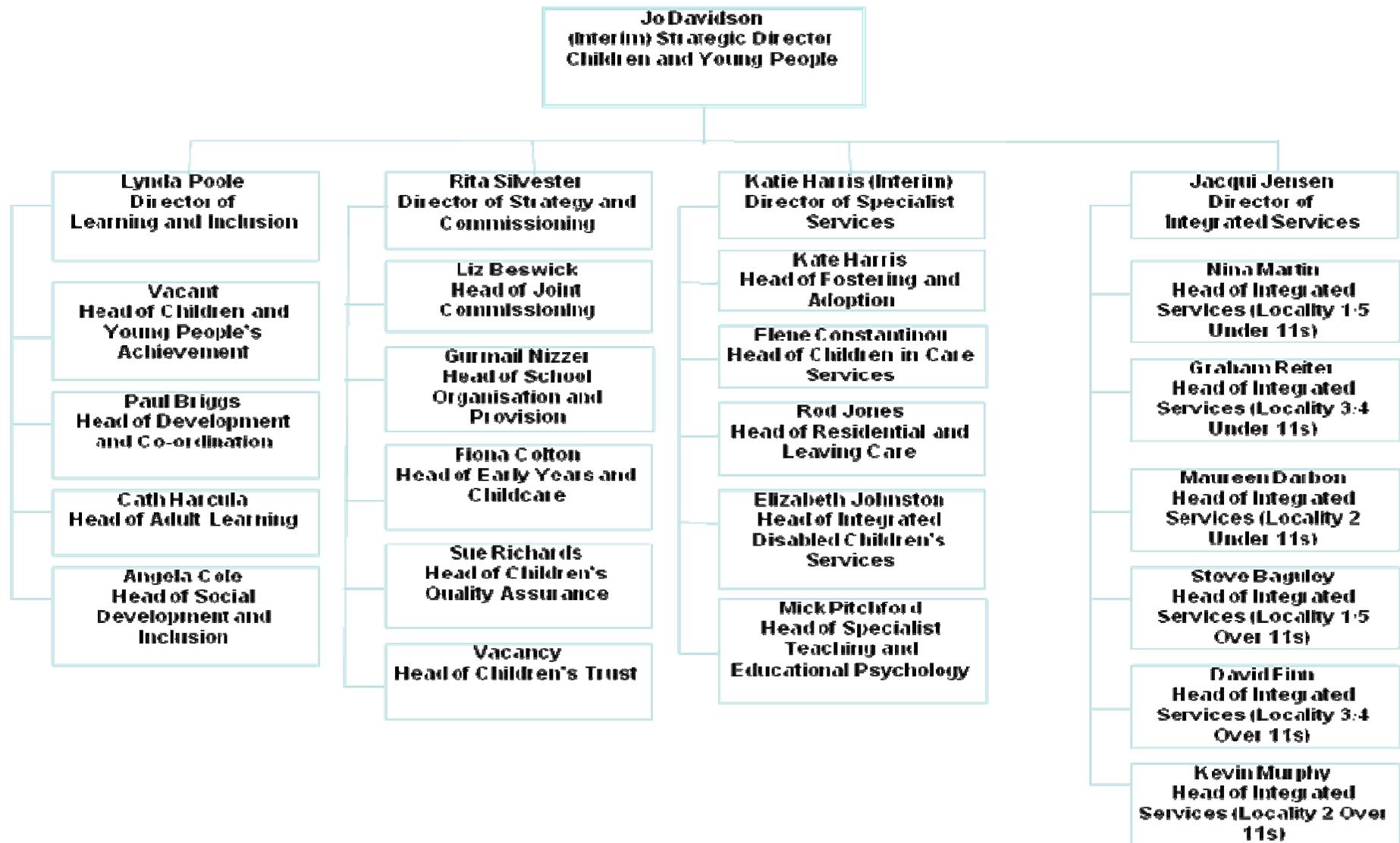
Neighbourhoods Directorate Current Structure Tiers 1-3



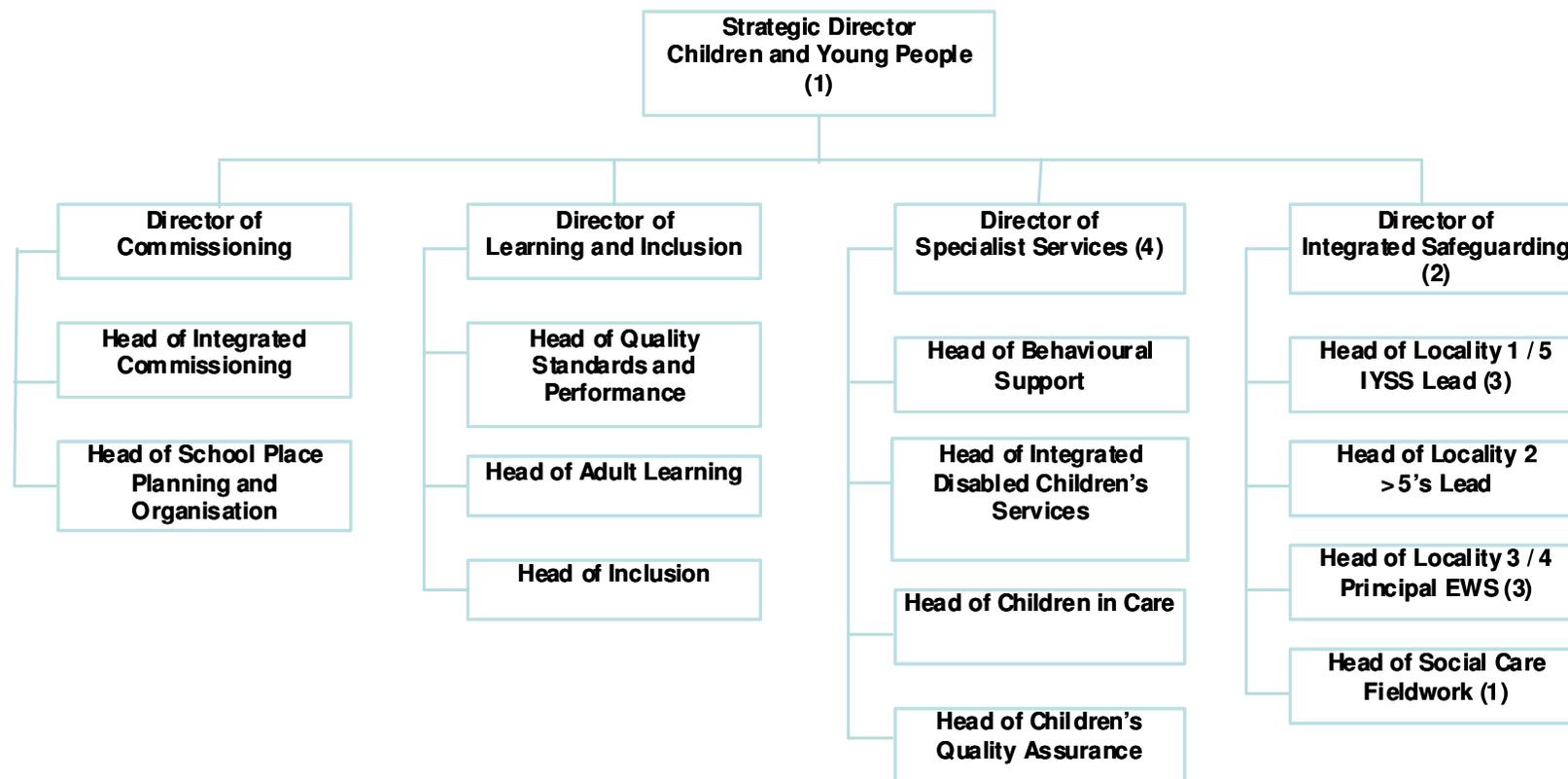
Neighbourhoods Directorate Proposed Structure Tiers 1-3



Appendix 4
CYP Directorate Current Structure Tiers 1-3



CYP Directorate Proposed Structure Tiers 1-3

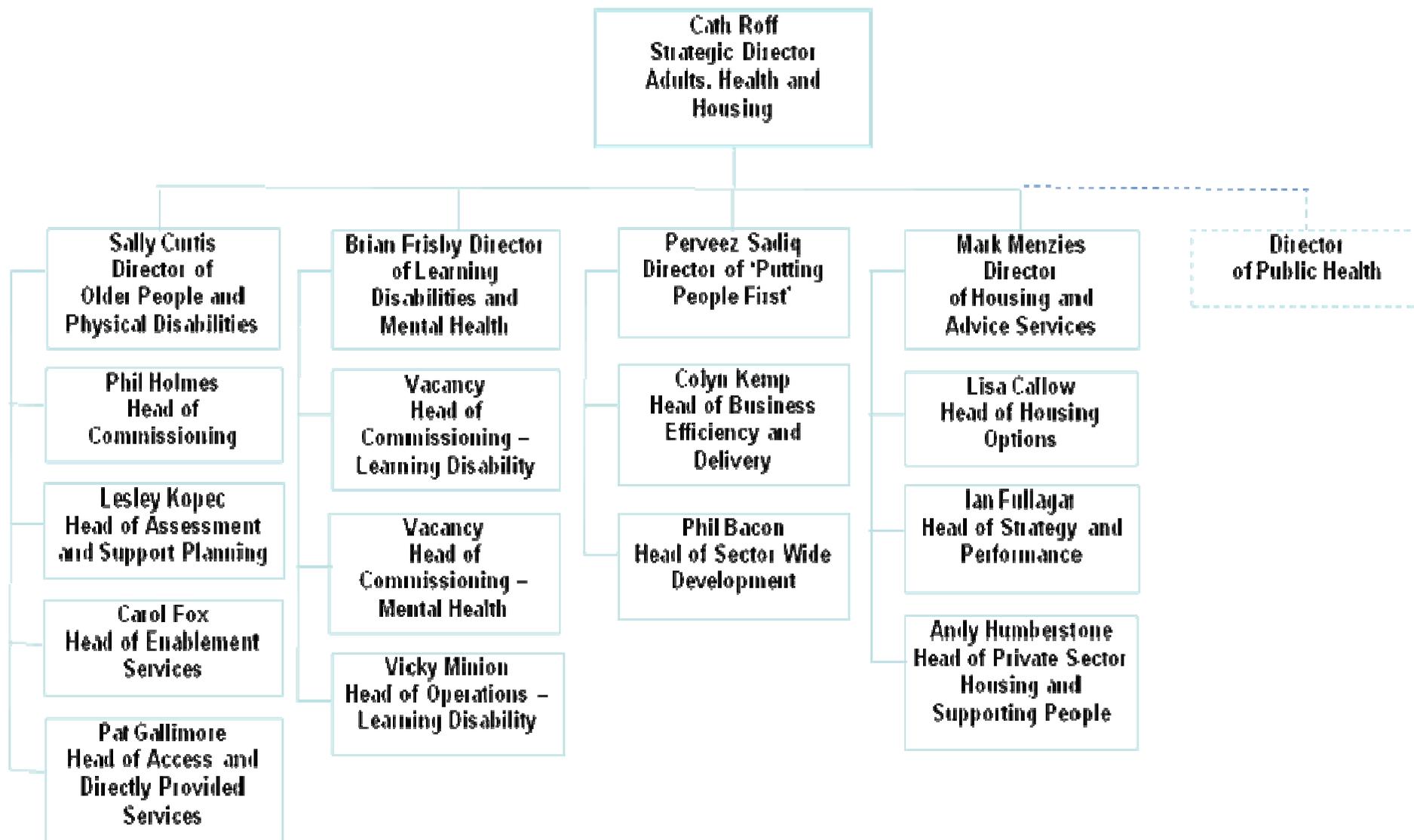


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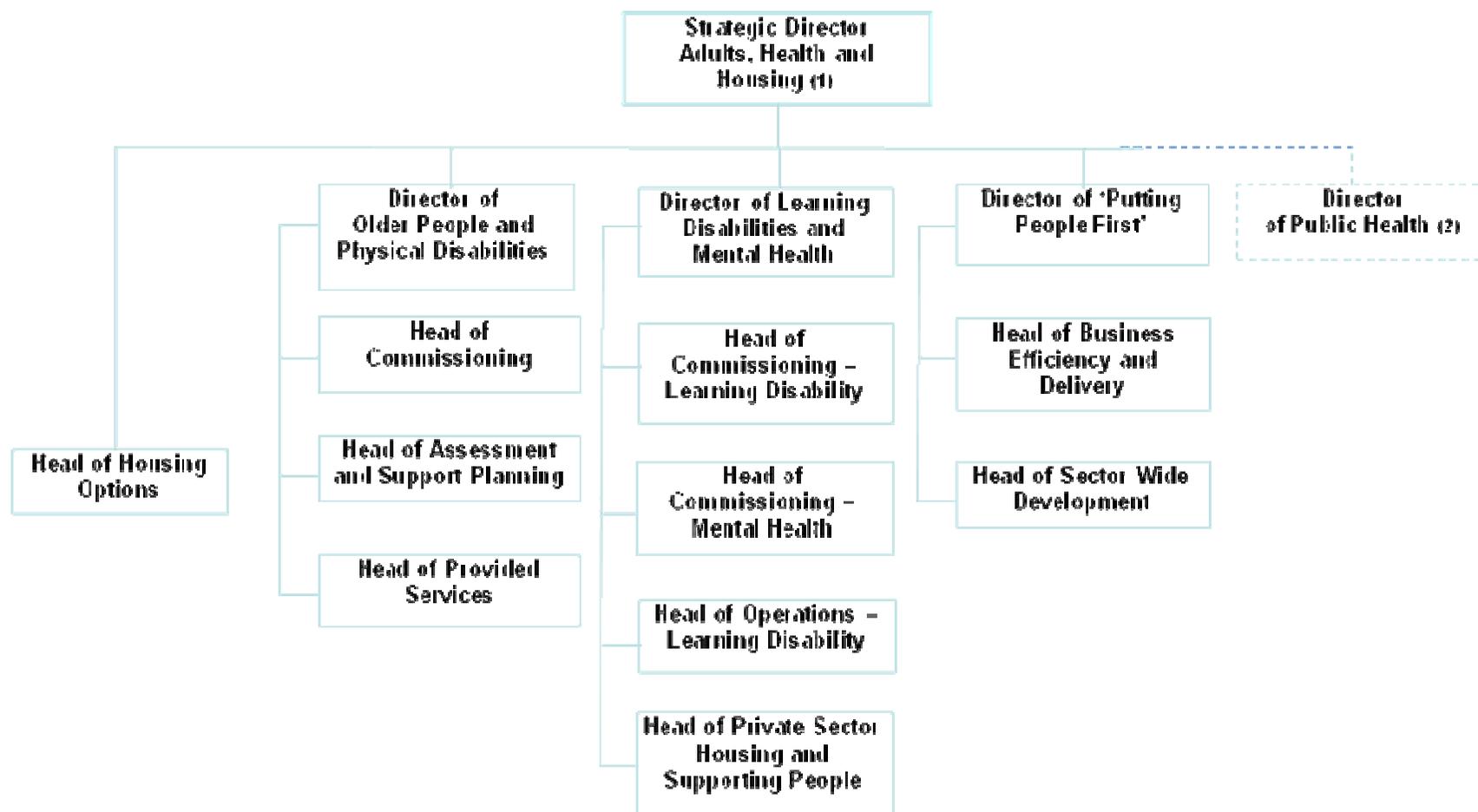
- (1) Denotes a statutory role
- (2) Role encompasses Professional Lead Safeguarding
- (3) These roles cover citywide leadership of Youth Service, Education Welfare Service; and Connexions Service
- (4) Health staff in integrated teams will be matrix managed through contracts.

NB: Professional lead for IYSS (Cx and Youth Service) and EWS will be required (HOS / SM) determined by post holders in IS

**Appendix 5
 AHH Directorate Current Structure Tiers 1-3**



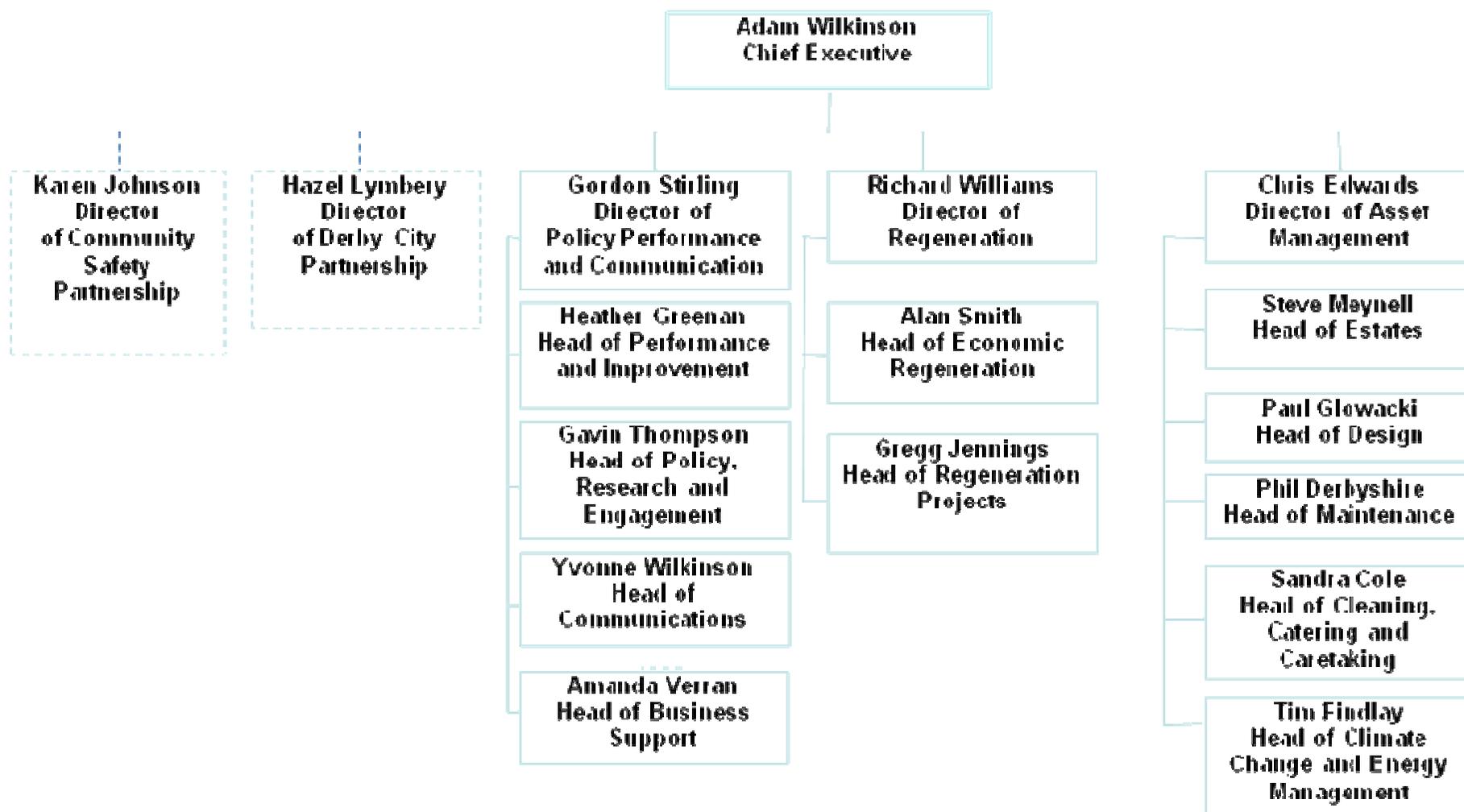
AHH Directorate Proposed Structure Tiers 1-3



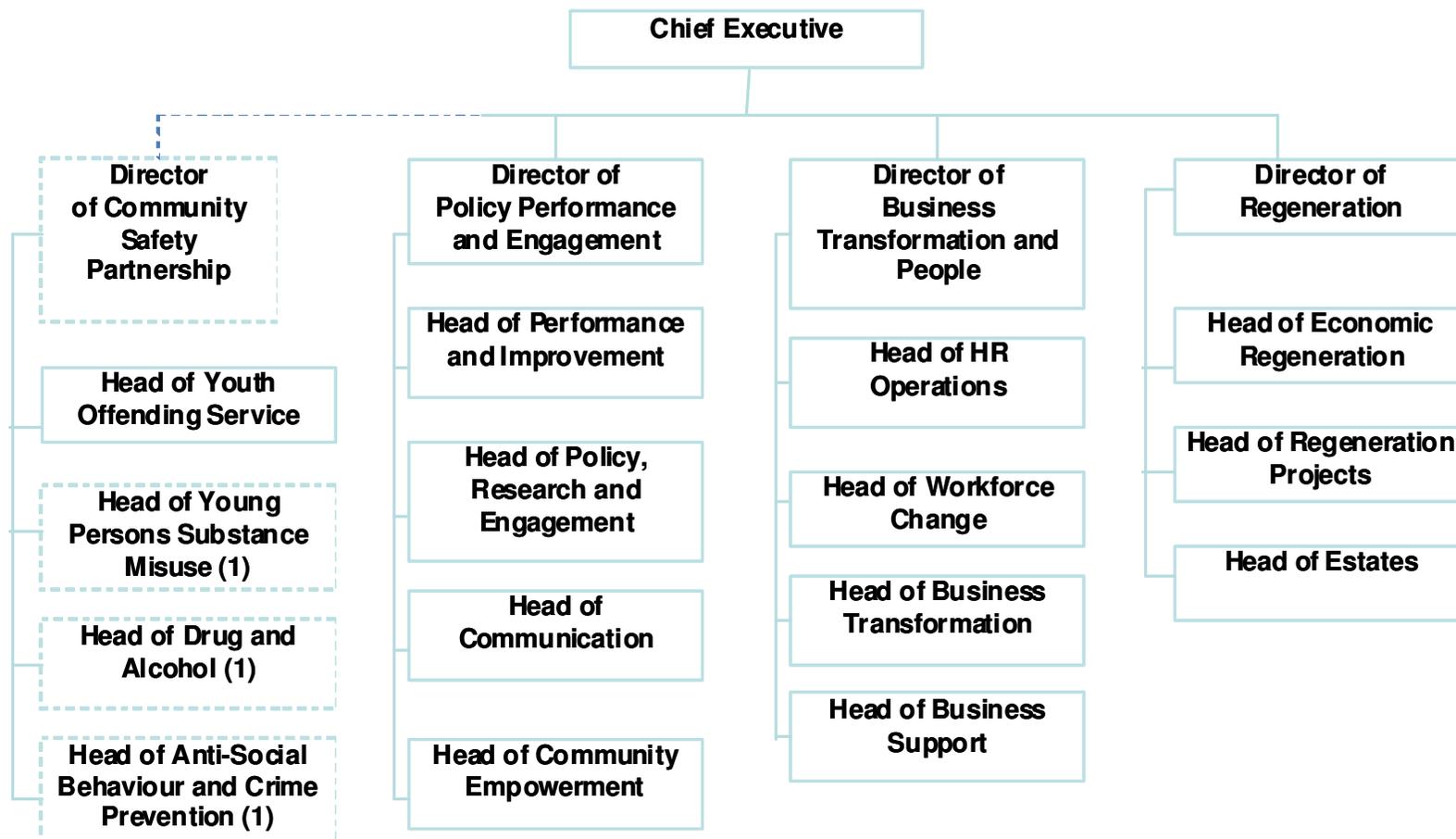
Notes:

- (1) Denotes a statutory role
- (2) Joint appointment with the FCT

Chief Executive's Office Current Structure Tiers 1-3



Chief Executive's Office Proposed Structure Tiers 1-3



Notes:

(1) Partnership funded post