

# ITEM 11

## Minute Extract – Council Cabinet, 15 July 2015

*The original reports considered by the Licensing Committee are available to view by visiting [cmis.derby.gov.uk](http://cmis.derby.gov.uk)*

This minute extract is submitted to Council with a recommendation to note the decisions taken by Council Cabinet.

### 40/15 Corporate Management Restructure

The Council Cabinet considered a report on Corporate Management Restructure. The report proposed a Corporate Restructure which would be implemented by September 2015. The restructure addressed Cabinet's requirement to reduce the management structure of the Council and to deliver the agreed annual budget saving target of £600k for the financial year 2015/16.

The proposals outlined in this report would deliver management savings of £1,033,000. This consisted of £325,000 in management reductions contained within the 2015/16 budget and a further £708,000 from senior management as part of this restructure.

It was envisaged that a further stage of restructuring would be required in 2016 to reflect the budget for 2016/17 and beyond although some of the steps being taken in this restructure were designed to provide the building blocks for any further restructuring process. The structure proposed represented the leanest senior management team when compared to similar authorities and was the smallest structure when compared to other unitary councils. It was therefore considered that at the most senior level this represented the smallest possible structure for an organisation with the requirements and responsibilities of Derby City Council.

The proposed structures outlined within the document had been developed by Chief Officer Group (COG) in consultation with the Leader of the Council. COG had used a variety of information to help inform their decision about the preferred option for each Directorate including:

- the information provided through the various consultation and workshop exercises with Service Directors
- a revised leadership competency framework – see Appendix 2 of the report
- a set of Key Principles – See Appendix 3 of the report
- Council Cabinet's priorities for 2015/16 following the May election
- the current and future budget position of the Council
- a review of management structures from other councils.

In bringing all of this work together the proposed option for Tiers 1 & 2 would see the Council move to a three Directorate model – People Services, Communities & Place and Organisation and Governance being led by the Chief Executive. This represented a reduction from four strategic directorates and a separate Chief Executive's Office i.e. five senior managers in the top team down to three posts all of which had significantly increased responsibilities and spans of control. Further reductions had also been made in the numbers of service directors and heads of service in order to achieve the savings target. Due to the significant changes in roles and responsibilities the remuneration for new posts would need to be reviewed to ensure that the Council could attract and retain staff in these important roles. It was therefore proposed to use the HAY Group to evaluate the new roles as this would mean that all roles in the Council would have been subjected to a common methodology thereby giving a transparent and fair basis for assessment. It was also proposed that any decisions regarding remuneration of the new posts would be taken and implemented alongside the Pay and Reward Project for the remainder of the workforce.

The proposals outlined in the report would therefore mean that there was significantly less management capacity to support Members and manage services on a day-to-day basis. For the structure to work this would require the Council to focus its efforts on key priorities, statutory requirements and finding new delivery methods thereby ensuring the remaining capacity was targeted in an efficient and effective way. This would require discipline and a culture change on the part of both Members and officers in addition to a reduction in both the scale and scope of the Council, as there would not be management the resources available that were there in the past. If the Council's requirements and expectations on senior officers did not change or there was a change in the future that meant there was a requirement for further capacity then a further review of the structure may be required to ensure full and effective delivery.

A streamlined management structure would mean that the Chief Executive and Strategic Directors would be focussed on supporting Members with developing the vision, strategy, budget and governance for the Council in the future. Service Directors would be responsible for leading and developing their Departments and Members would need to work with Service Directors and Heads of Service on operational issues.

The current management structure was shown at Appendix 4 of the report.

These proposals had been subject to consultation with all staff at Tiers 1-3 in the Council. Feedback from the consultation process had been used to develop the final structure, which was shown in Appendix 5 of the report.

The Council Cabinet gave due regard to the Equality Impact Assessment prepared in relation to this report.

The Corporate Scrutiny and Governance Board supported the recommendations in the report but recommended that concerns about having a single Director of People Services be recognised and that Council Cabinet ensures that the postholder would need to be adequately experienced and supported by Heads of Service and

management in the tiers below.

## **Decision**

1. To note the need for the Council to restructure the Senior Management tiers of the organisation to deliver the £600,000 efficiencies approved by the Council as part of the 2015/16 budget setting process.
2. To note the rationale for the proposed changes to Directorate structures as outlined in paragraphs 4.6 – 4.48 of the report.
3. To note the staffing implications of the proposed changes as outlined in paragraphs 4.49 – 4.53 of the report.
4. To note the consultation with affected staff as outlined in paragraphs 4.54 – 4.56 of the report.
5. Having had due regard to the Equality Impact Assessment prepared in relation to the report to approve the proposed structures as outlined in Appendix 5 and to note the context set out in points 1.1 – 1.9 of the report.
6. To agree that the remuneration for Tier 1 and 2 Officers should be reviewed using the Hay methodology in common with the remainder of the work force and any proposals be considered and implemented alongside the Pay and Reward project for the Council.
7. To accept the recommendations of the Corporate Scrutiny and Governance Board that concerns about having a single Director of People Services be recognised and that Council Cabinet ensures that the postholder would need to be adequately experienced and supported by Heads of Service and management in the tiers below.