

Bath & North East Somerset Council

MEETING:	Re-structuring Implementation Committee	AGENDA ITEM NUMBER	V.3
DATE:	11 November 2013		
TITLE:	Future Council – implementation proposals		
WARD:	ALL		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1: Re-structuring Implementation Committee - terms of reference			
Appendix 2: Extract from minutes of the Restructuring Implementation Committee – 25 July 2012: FUTURE COUNCIL - IMPLEMENTATION PROPOSALS			
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1. THE ISSUE

- 1.1 The Council, at its meeting on 16 November 2010, approved proposals for a future organisational model for the Council with a focus on a strategic leadership role. Its decisions were made in the light of the serious financial position the country is dealing with, the wide range of policy initiatives being launched by the coalition government and recommendations on how it should respond to this changed environment together with an overall strategy/direction of travel.
- 1.2 The recommendations included a proposed senior management structure to deliver such a model and the establishment of a Re-structuring Implementation Committee (with terms of reference as set out in Appendix 1) to oversee implementation in accordance with the first step principles set out in the originating Council report.
- 1.3 This report deals with recommendations for the approval of new senior managements arrangements in respect of the 'Resources', 'Place' and People', portfolios in accordance with the committee's terms of reference.
- 1.4 In addition the committee is asked to determine arrangements for the approval of severance payments to senior staff in the light of guidance from the Secretary of State for Communities and Local Government.

2. RECOMMENDATION

The Committee is recommended to

- 2.1 Note the current position in respect of the 'Resources' Services as outlined in paragraphs 5.6 and 5.7 and approve the draft senior management structure (as set out in Appendix 3) for implementation
- 2.2 Approve the organisational arrangements including senior management structure in the People and Communities Department (as outlined in paragraph 5.11 to 5.13 and Appendix 5) including arrangements reflecting the transfer of the Public Health Function from the NHS on 1 April 2013.
- 2.3 Note the current position in respect of the 'Place' Services as outlined in paragraphs 5.8 and 5.10 and approve the draft senior management structure (as set out in Appendix 4) for implementation subject to the outcome of the formal consultation process.
- 2.4 Delegate to the Chief Executive, in consultation with the spokespersons of the Committee, authority to take any action necessary or appropriate in respect of the structures approved to enable the implementation of the proposals.
- 2.5 Agree that the following be adopted as interim practice by the Council pending the next formal review of its Pay Policy in February 2014:
 1. any proposed severance package with a total cost to the Council in excess of £100,000 be referred to the Restructuring Implementation Committee for consideration; and
 2. in determining the threshold, the component elements of the package would include any proposals in respect of salary to be paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances as appropriate.

3. FINANCIAL IMPLICATIONS

- 3.1 The financial implications of the new strategic management structure can be separated into four areas:
 - One-off costs associated with any recruitment and specialist advice as may be required.
 - One off costs of any potential severance. Such costs depend on the individual's service and salary.
 - Ongoing costs which might arise from the grading of new post/or roles to reflect additional duties and responsibilities. These may be fully or partially offset by a net reduction of posts in the senior management structure.
 - An anticipated on-going net saving of up to £2m per annum from reductions in the Council's overall s management structure was assumed when the outline 'Future Council' report was considered by the Council in 2010.

- 3.2 The Council's approved Medium Term Service and Resource Plan covers the 3-year period 2013/2014 to 2015/2016. Included in this plan are the management restructuring savings for each of the three directorates as follows:-

Directorate	2013/14 £000's	2014/15 £000's	2015/16 £000's	TOTAL £000's
People & Communities	200	0	100	300
Place	98	300	300	698
Resources	250	250	0	500
TOTAL	548	550	400	1,498

- 3.3 The plan therefore identifies a total saving of £1.498M over the 3-year period and Strategic Directors have confirmed that they anticipate they will be able to meet these savings based upon the proposals they have put in place or are developing as set out in this report.
- 3.4 As part of the 2013/2014 Budget, the Council approved the provision of an Earmarked – Restructuring Reserve to meet severance costs associated with service restructuring and savings requirements. Any such costs arising from the management restructuring will be a legitimate charge against this reserve.
- 3.5 Further detail will be provided to the Committee prior to the meeting

4. CORPORATE PRIORITIES

- 4.1 The Council's corporate priorities are derived from the vision for the area contained in the Sustainable Community Strategy. Clearly in the light of the financial position in the country and policy initiatives of central government, certain aspects of the strategy and vision have become more important - in particular, the issues of growth, the recession and localism in the immediate to and medium term.
- 4.2 The senior management proposals in this report are underpinned by concepts and principles set out the 'Future Council' report of November 2010 recognising that given the scale of financial uncertainty there will be changes in terms of when and how priorities are delivered. The 'Future Council' proposals are targeted to allow the Council the maximum opportunity to deliver on the vision in the new environment.
- 4.3 The Council's role will be changing and as a Strategic Commissioning organisation the role will be to be very clear on the overall needs and opportunities in the area and for commissioning or enabling/encouraging the appropriate outcomes. There will be a need for the Council to continue to prioritise the vulnerable and ensure there is an emphasis on disadvantaged communities.

5. THE REPORT

Background

5.1 A new senior management structure for the Council was first considered in November 2010. The organisational design was intended to meet the challenges of a new environment with an emphasis on commissioning and bringing together various services to ensure greater integration and improved planning. It consists of three new senior posts taking primary responsibility for

- Resources
- Place
- People

together with, a collective responsibility for the corporate management of the Council.

- 5.2 In September 2011, the Council agreed that it would replace the post of Chief Executive/Head of Paid Service on the retirement of John Everitt in the summer of 2012. Dr Jo Farrar was appointed as the new Chief Executive/Head of Paid Service and took up her appointment in July 2012. New Strategic Director appointments for People and Communities and Resources were made in August 2012 by the transfer of existing Directors, Ashley Ayre and Andrew Pate respectively. An external appointment was made to the post of Strategic Director – Place with Louise Fradd taking up post in April 2013.
- 5.3 This report deals specifically with recommendations for the approval of new senior managements arrangements in respect of the ‘People’, ‘Places’ and ‘Resources’ portfolios in accordance with the committee’s terms of reference. Existing arrangements in respect of Legal and Democratic Services are unchanged.
- 5.4 Implementation arrangements need to take account of the Council’s procedures for dealing with the Human Resource Implications of Organisational Change and the Council’s Standing Orders relating to senior appointments. The Council’s statutory obligations can be met by the application of these Change Procedures.
- 5.5 My responsibilities as Head of Paid Service under Section 4 of the Local Government and Housing Act 1989 require me to prepare a report on my proposals where a change is considered necessary to the manner in which the discharge by the authority of its functions is co-ordinated and the number and grades of staff required by the Council for the discharge of its functions.

I have carefully considered the proposals and proposed arrangements that are contained in this report. I am satisfied that the arrangements will assist in enabling the Council to fulfil its vision of acting as and being seen as one Council and that the cost of the arrangements represent the most effective use of resources. These proposals will facilitate the delivery of significant changes which will meet the targets set.

Resources Services– update on senior management arrangements

- 5.6 The Strategic Director – Resources has developed proposals for a major overhaul of the senior management structure in his department. These take account of the following factors:
- Transfer of Improvement & Performance Services (previously reporting direct to the Chief Executive)
 - Transfer of Project Delivery (Capital) from Development & Major Projects
 - Transfer of Library Services to Customer Services
 - In-sourcing of Mouchel Business Services (ICT and HR Administration/Payroll)
- 5.7 Following a period of fact finding and discussion, the Strategic Director commenced a period of formal consultation in May. This due to be completed in late July with intended implementation of the senior structure immediately (the TUPE transfer of Mouchel staff will also take place on 1 August 2013. The Strategic Director has kept Group Leaders and the Cabinet Members with responsibility for the areas of his activity informed of proposals.

Recommendation

Note the current position in respect of the 'Resources' Services as outlined in paragraphs 5.6 and 5.7 and approve the draft senior management structure (as set out in Appendix 3) for implementation

Place Services– update on senior management arrangements

- 5.8 This committee had agreed that no changes would be implemented in the Place Directorate before early 2013, although the two Directors impacted (Service Delivery and Development & Major Projects) were to commence a review of the options. This decision was taken before both the resignation of the existing Strategic Director, Glen Chipp to take up an appointment as Chief Executive, Epping Forest District Council and John Betty leaving the Council in December 2012.
- 5.9 Louise Fradd took up her appointment as the new Strategic Director – Place in April 2013. Over the first three months she had been developing proposals for new senior management arrangements in 'Place' Services. These take account of the following factors:
- Merging of the former Service Delivery and Development & Major Projects Directorates
 - Transfer of Skills & Employment back to the directorate (temporarily located in People & Communities)
 - Transfer of Housing into the directorate from People & Communities
 - Transfer of Project Delivery into the Resources Directorate from Development & Major Projects
 - Transfer of Libraries into the Resources Directorate.
- 5.10 The director has taken account of the views of members, partner organisations staff and unions in formulating proposal for formal consultation starting in July 2013. The proposed senior management structure is set out in Appendix 4.

Recommendation

Note the current position in respect of the 'Place' Services as outlined in paragraphs 5.7 and 5.10 and approve the draft senior management structure (as set out in Appendix 4) for implementation subject to the outcome of the formal consultation process.

People and Community Services – update on senior management arrangements

- 5.11 The organisational arrangements and outline senior management structure in the People and Communities Directorate were reported to this committee in July 2011. In consultation with Group Leaders and the Cabinet Member responsible, structural arrangements were made which bring together the following functions between January and March 2013 enabling the implementation to go ahead from 1 April 2013:

- Children's Social Care
- Adult Social Care (Commissioning)
- Children's Commissioning and Strategic Planning
- Learning and Inclusion
- Youth, Youth Offending and Connexions
- Public Health Commissioning
- Public Health
- Community Health Commissioning

The current senior management structure is set out at Appendix 5.

- 5.12 As planned the integrated Social Enterprise (Sirona Care & Health) delivers community health services to children and adults, health improvement services and adult social care services. In agreement with the former PCT Board and the Clinical Commissioning Committee, Community Health Commissioning has been located within the department. This includes the work of the Public Health Commissioning.
- 5.13 The Public Health Team in its entirety was subject to TUPE transfer into the Council on 1 April 2013 when statutory responsibilities for Public Health returned to the Local Authority. Dr Bruce Laurence has recently been appointed to the post of Director of Public Health to lead the function.

Recommendation

Approve the organisational arrangements including senior management structure in the People and Communities Department (as outlined in paragraph 5.11 to 5.13 and Appendix 5) including the transfer of the Public Health Function from the NHS on 1 April 2013.

- 5.14 All new posts created in the structure have been evaluated by independent advisers using the Council's approved job evaluation scheme

6. SEVERANCE PAYMENTS TO SENIOR LOCAL GOVERNMENT STAFF

- 6.1 In February 2013, shortly after the Council's annual review of its Pay Policy, the Secretary of State for Local Government and Communities, published Supplementary Guidance [under section 40 of the Localism Act 2011] on the content and application of senior pay statements. Specifically, this Supplementary Guidance addresses the issue of severance payments to senior local government staff. Local authorities must have regard to the guidance in the exercise of their functions under the pay accountability provisions of the Act.
- 6.2 Authorities are already required to publish their policies on severance for chief officers and their policy on discretionary compensation for relevant staff in the event of redundancy. In addition, other regulations provide for disclosure of remuneration of senior employees including details of severance payments within authorities' annual statement of accounts. The new guidance acknowledges that these measures already enable considerable scrutiny of severance costs. However, it argues that there is a case for going further to ensure decisions in

respect of severance payments to senior local government staff are subject to appropriate levels of accountability.

- 6.3 Understandably of late, there has been a great deal of public scrutiny of the level of severance payments awarded to some senior public sector staff, including those in some local authorities. As part of the wider agenda, local authorities must continue to manage their workforces in a way that best delivers value for money for local taxpayers and sets the right example on restraint.

6.4 The guidance suggests that authorities should offer full council the opportunity to vote before large severance packages beyond a particular threshold are approved for staff leaving the organisation. The Secretary of State considers that £100,000 is the right level for that threshold to be set. In presenting information authorities should set out clearly the components of relevant severance packages. These components may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid.

6.5 Consideration has been given to how this guidance should be implemented in the council, recognising the need for openness and accountability alongside legal obligations in respect of the handling of personal data, business efficiency etc. The following proposals are put forward

- To set a threshold of £100,000, as suggested by the Secretary of State is consistent with the Council's current remuneration policy for senior managers.
- The severance package to be reported should include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid together with an indication of any additional costs such as payments to the Pension fund to allow release of pension benefits.
- Reporting to full Council would not increase public transparency given that , consideration of the information relating to an individual's circumstances would have to be in exempt session in accordance with Schedule 12A of The Local Government Act 1972.
- Given the current frequency of full Council meetings, there is a real possibility that implementation of any severance arrangements might be delayed pending a decision; this would not be serve best value principles nor would the convening of a special Council meeting to consider any proposal.
- It is unclear what benefit there would be in all 65 members of Council debating what is essentially a managerial decision best suited to a smaller group of members.

6.6 It is therefore **RECOMMENDED** that the following be adopted as interim practice by the Council pending the next formal review of its Pay Policy in February 2014:

Recommendation

That any proposed severance package with a total cost to the Council in excess of £100,000 be referred to the Restructuring Implementation Committee for consideration

That in determining the threshold, the component elements of the package would include any proposals in respect of salary to be paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances as appropriate.

7. RISK MANAGEMENT

7.1 Risks associated with non-compliance with the statutory legal position are set out more fully in paragraph 5.4 above.

8. EQUALITIES

8.1 The organisational model for the future Council with an increasing emphasis on strategic leadership will enable the focus to be more on the needs of individuals and communities and enable the development of different ways to meet those needs more appropriately within the resources available.

8.2 Impacts on the Council's workforce composition will continue to be monitored.

9. CONSULTATION

a. The Council's Statutory Officers (i.e. Finance, Monitoring, Director of Children's Services and Director of Adult Services) and Head of Human Resources have been consulted in the preparation of this report and their views have been incorporated in the text.

b. Strategic Directors have contributed as appropriate to the preparation of this report and their views incorporated.

c. All restructuring proposals have the subject of formal consultation with relevant trade unions and staff as appropriate. Implementation has been and will continue to be in accordance with the Council's agreed HR procedures for dealing with Organisational Change. A copy of this report has been provided to the trade unions for information.

Contact persons	<ul style="list-style-type: none">▪ Jo Farrar, Chief Executive – 01225 477400▪ William Harding, Head of Human Resources – 01225 477203
Background papers	<ul style="list-style-type: none">▪ The Future Council – Council, 16 November 2010▪ Future Council – Implementation proposals – Restructuring Implementation Committee, 25 July 2011▪ Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011 - Supplementary Guidance - February 2013
Please contact the report author(s) if you need to access this report in an alternative format	

RE-STRUCTURING IMPLEMENTATION COMMITTEE

The Committee's Span of Responsibility

- To determine all necessary arrangements for implementing the indicative senior management structure.
- To decide on numbers of 1st and 2nd Tier officers and the span of work responsibility allocations for those officers.
- To determine appointments to or dismissal from the posts of Director and other JNC Officers reporting to the Chief Executive, or Head of Paid Service, subject to there being no objection to the appointment / dismissal being lodged by the Leader of the Council.
- To recommend to the Council the appointment or dismissal of the Head of Paid Service, the Monitoring Officer and the Chief Financial Officer.

Membership

The Committee shall comprise 4 Members in the political proportion 1 Conservative Member, 1 Liberal Democrat Member, 1 Labour Member, 1 Independent Member.

**Extract from minutes of the Restructuring Implementation Committee
– 25 July 2012: FUTURE COUNCIL - IMPLEMENTATION PROPOSALS**

The Committee considered a report seeking authority to implement some aspects of the new senior management structure to support the transition to the new organisational model approved by Council in November 2010. The Monitoring Officer advised that there was no significant equalities impact arising from these proposals; a position which was accepted by the Committee. The Committee considered the submission from UNISON, broadly in support of retention of the present senior management structure.....

On a motion from Councillor Paul Crossley, seconded by Councillor Francine Haerberling, it was

RESOLVED

1. To approve the appointment of the current Strategic Director - Resources & Support Services to the new post of Strategic Director – Resources by transfer with effect from 1 August 2011;
2. To approve the designation of the new post of Strategic Director – People and Communities with scope as set out in paragraphs 5.12 - 5.14 of the report;
3. To approve the appointment of the current Strategic Director – Children’s Services to the new post of Strategic Director – People and Communities by transfer with effect from 1 August 2011;
4. To recommend to Council that the holder of the post of Strategic Director – People and Communities be designated as the statutory Director of Children’s Services and Director of Adult Services;
5. To note the organisational arrangements and interim senior management structure in the People and Communities Department (as outlined in paragraphs 5.19 and Appendix 4 of the report);
6. To agree to the secondment of Community Health Commissioning staff to the Local Authority;
7. To note and agree that suitable arrangements be put in place to integrate the work of Public Health Commissioning staff into the Local Authority pending legislative change in respect of the Public Health function which is anticipated later in 2011;
8. To note the current position in respect of the ‘Place’ role as outlined in paragraph 5.17 of the report and that a report(s) on future organisational structure will be brought to this Committee in due course;
9. To transfer Improvement & Performance Services within the organisational management structure to the Strategic Director – Resources portfolio with effect from 1 August 2011;
10. To note that the current Chief Executive, in his role as Head of Paid Service, will continue to work directly with second tier officers in identified roles where it is appropriate to ensure the proper functioning of the Council; and
11. To recommend to Council the retention of the present structure i.e. to retain the present post of Head of Paid Service/Chief Executive within the new senior management structure

**STRATEGIC DIRECTOR – RESOURCES:
Proposed Senior Management Structure**

APPENDIX 3

Strategic Director

Finance &
Support Services

Customer
Services

Strategy &
Performance

Property

Project Delivery

Business Change

Finance & Pensions

HR transactions & Payroll

ICT

Revenues back office

Procurement

Internal Audit & Information

Governance

Revolving Infrastructure

Fund & Regional Growth

Customer Services Change

Council Connect

Libraries

Emergency planning and
business continuity

Revenues & Benefits advice
service

*One Council Organisational
Development (OD)
HR and H&S*

Policy Co-ordination

Connecting Communities

Communications

Equalities

Performance Management

*Workplaces Change
Programme*

Commercial Estate

Corporate Estate

Facilities Management

Asset Management &
property transactions

Print, cleaning & catering
trading services

*Keynsham Town Centre
Regeneration scheme*

Capital project delivery –
several major schemes

Capital programme co-
ordination

Property maintenance
delivery.

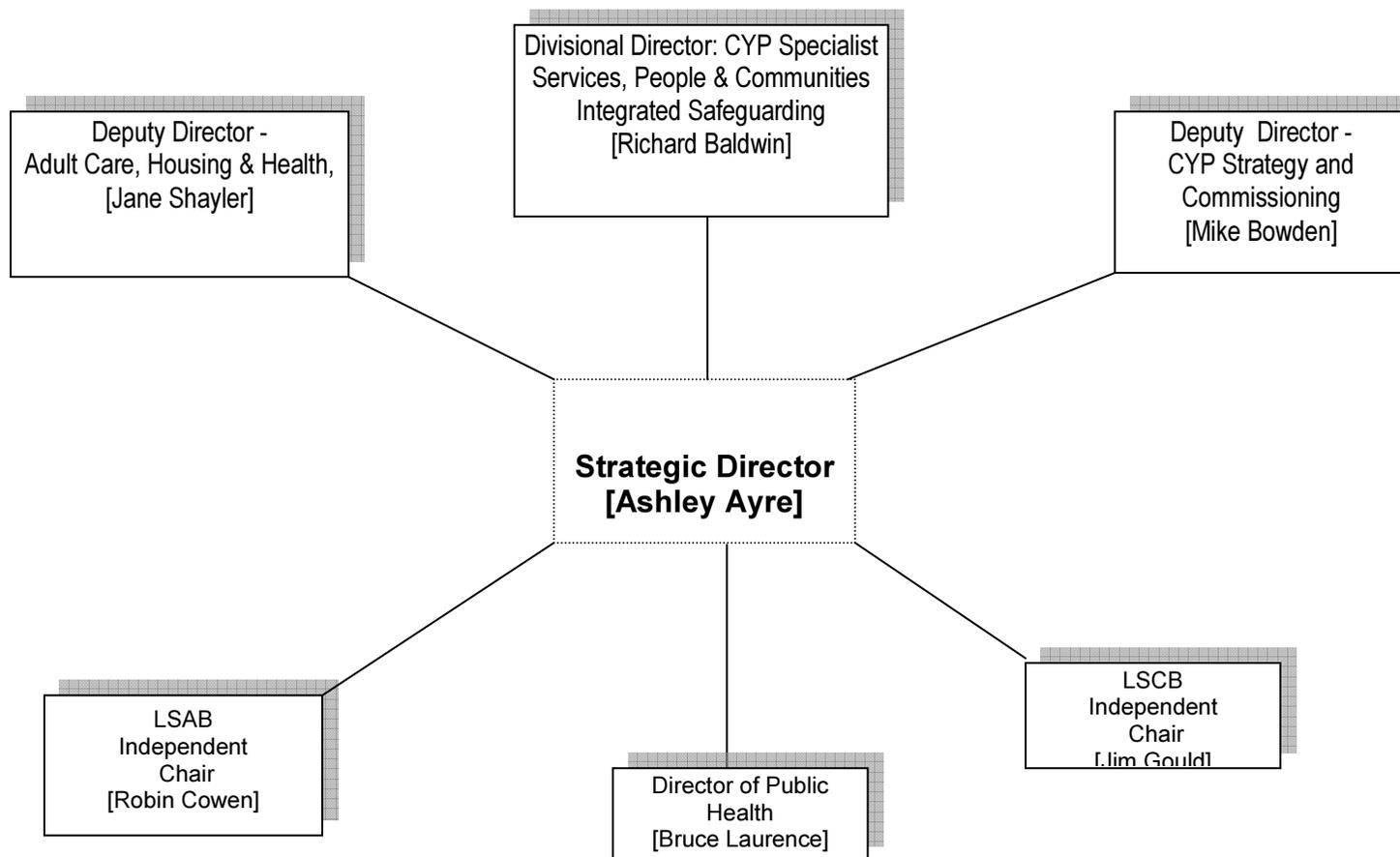
Highways project delivery

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**STRATEGIC DIRECTOR – PLACE:
Proposed Senior Management Structure**

SEE PDF document attached

**STRATEGIC DIRECTOR – PEOPLE & COMMUNITIES:
Senior Management Structure Update [October 2013]**



Summary position – New Divisional Director Structures

Resources:

Position at 31 March 2013	
<i>Designation</i>	<i>Pay Band</i>
Finance [S.151 Officer]	4
Property & Facilities [Chief Property Officer]	4
Policy & Partnership	5
Improvement & Performance	5
Project Management	5
Customer Services Revenues & Benefits	6
Risk & Assurance	6
Transformation	6

Position at 1 August 2013	
<i>Designation tbc</i>	<i>Pay Band</i>
Finance & Support Services [S.151 Officer]	4
Property (further restructure tbc)	4
Strategy & Performance	5
Improvement & Performance [to be deleted 01/15]	5
Project Delivery (further restructure tbc)	5
Customer Services	5

Place:

Position at 31 March 2013	
<i>Designation</i>	<i>Pay Band</i>
Planning & Transport Development	4
Skills and Employability	5
Tourism, Leisure & Culture	5
Environmental Services	5

Position at 1 August 2013	
<i>Designation</i>	<i>Pay Band</i>
Environmental Services	4
Community & Wellbeing	5
Planning	5

People & Communities:

Position at 31 March 2013	
<i>Designation</i>	<i>Pay Band</i>
Safeguarding, Social Care and Family Services	4
Learning and Inclusion Service	4
Non-Acute Health, Social Care & Housing	5

Position at 31 October 2013	
<i>Designation</i>	<i>Pay Band</i>
Adult Care, Housing & Health,	4
CYP Strategy and Commissioning	4
CYP Specialist Services, People & Communities Integrated Safeguarding	5
Director of Public Health	NHS

Note: Legal & Democratic [Monitoring Officer] Band 4 – service review underway