

**CABINET - 5 MARCH 2008**

## **SENIOR MANAGEMENT STRUCTURE - STAGE 2**

**PORTFOLIO : POLICY &  
RESOURCES**

### **1. INTRODUCTION**

- 1.1 Given the severe financial constraints on local authorities, particularly in the South, there is a continuing need to look at all aspects of the Council's activities for efficiencies. The community leadership role of the Council requires a more flexible management structure to respond to the needs of local people.
- 1.2 The Senior Management structure has been reviewed in two stages, the first stage which included the appointment of the two Executive Directors (one with Section 151 responsibility) was reported to Cabinet on the 3 October 2007. The second stage of the review is now completed and this report proposes a new structure at the Heads of Service level.

### **2. FUTURE DIRECTION OF SENIOR MANAGEMENT**

- 2.1 In reviewing the future shape and direction of the senior management of the authority, the following issues have been considered as drivers for change.
  - 2.1.1 The Senior Management Structure has evolved over a period of time and the roles of Directors and Heads of Service have changed.
  - 2.1.2 The impact of the Local Government Act. There is increased focus on localism, community leadership and engagement, as well as an emphasis on working in partnerships.
  - 2.1.3 The Council's financial and efficiency Agenda and the need to regularly review management structures to ensure they are fit for purpose to meet current and future priorities.
  - 2.1.4 New term of administration and the revision of the Corporate –Plan to meet the needs of the New Forest Community over the next 4 years.
  - 2.1.5 The role of Portfolio Holders and the Cabinet has evolved to increase their responsibility for executive decision making.
  - 2.1.6 There is still scope to develop the Council's performance management to drive continuous improvement.
  - 2.1.7 The governance environment in which the Council operates is rapidly changing and the senior management structures need to be more flexible to adapt to external challenges.

### **3. THE CURRENT STRUCTURE**

- 3.1 The current structure has the Chief Executive and 2 Executive Directors who form the Executive Management Team and support the work of the Cabinet. At present the next tier of management comprises 14 Assistant Directors/Heads of Service (on Band 11).

### **4. PROPOSED STRUCTURE**

- 4.1 The new structure will be aligned to the Corporate Plan and will also be flexible to deal with an ever increasing degree of change and complexity in the local government agenda.
- 4.2 The new structure will see the Executive Directors taking a lead on key corporate themes and being responsible along with project teams for their outputs. Each Head of Service will continue to lead their service and will as part of the Heads of Service support the Executive Management Team in strategic decision making.
- 4.3 Each Head of Service will be Coached/Mentored by either the Chief Executive or one of the Executive Directors and the annual Performance appraisal will be carried out by the relevant Coach/Mentor. Further thought will be given to any further mechanism to support Heads of Service's contribution to the performance management of the authority.
- 4.4 Roles and Responsibilities

#### **Executive Directors**

Executive Management Team will lead on a number of key Corporate Themes, as listed below

- Managing our finances
- Maintaining excellent performance and improving effectiveness and efficiency
- Managing our assets including exploring the scope for one site administration
- Working to reduce the carbon footprint of the Council and the District
- Leading and enhancing local partnerships including the Local Strategic Partnership
- Engaging local people and communities in all we do
- Improving the ease and equality of access to public services

#### **Heads of Service**

Heads of Service will be responsible for

- the leadership and performance of their Services
- the delivery of the Service-related corporate aims
- advice to Executive Management Team and Portfolio holders on all service related matters

- 4.5 The revised structure now proposed broadly retains the existing areas of service accountability. However two major changes are proposed affecting Planning and Property/Financial Services.
- 4.6 In Planning the formal structure of authority still retains two Assistant Director posts, although the holder of one of these posts has been on secondment to the National Park Authority for the last two years. It is proposed that there only be one post based on the accountabilities of the NFDC-based post-holder, but with the addition of the Environment Design section (currently responsible to one of the Assistant Directors of Leisure).
- 4.7 There is also an opportunity to bring together a number of property-related sections currently within the remit of the Assistant Director of Financial Services with other property and procurement related services currently reporting to one of the Assistant Directors of Commercial Services. This should provide a clear focus to property-related activity in the Council by concentrating more of the available expertise in one place. It could also lead to a better balancing of the Partnership with Test Valley by removing from the Partnership a number of functions that are solely concerned with New Forest and have not become shared functions. Further work will be necessary to clarify these issues, which would be subject to the decision of the Joint Committee and the relevant processes of the two authorities. Initial discussions have been very positive.
- 4.8 If the rationale for the property-related changes is accepted and given the fact that it has been agreed that one of the Executive Directors will be the Section 151 officer responsible for all financial matters, it is not proposed to have a separate Head of Service post for financial services.
- 4.9 In the light of these suggested changes and after discussion with all existing Heads of Service, it is proposed to reduce the current number of Heads of Service (on Band 11) on establishment from 14 to 12. The following table sets out their proposed titles and the portfolios to which they will mainly relate.

<b>Heads of Service</b>	<b>Main Portfolio</b>
Human Resources	Policy & Resources
Performance & Strategic Development	Policy & Resources
Customer Services	Finance & Efficiency
ICT	Finance & Efficiency
Legal & Democratic Services	Finance & Efficiency
Property Services	Finance & Efficiency
Communities and Employment	Leisure, Culture & Youth Matters/ Employment Health & Wellbeing
Public Health & Community Safety	Crime & Disorder/ Employment Health & Wellbeing
Environment Services	Environment
Housing	Housing
Leisure Services	Leisure, Culture & Youth Matters
Planning & Transportation	Planning & Transportation

- 4.10 Two Heads of Service have been placed on the Councils at risk register, and it is proposed that the post of Head of Financial Services and Head of Policy Design and Information be made redundant. The approval of redundancies and terminations of employment for all officers except the Chief Executive, Executive Directors, Monitoring Officer and Section 151 Financial Officer is delegated to Chief Executive (subject to Business Case), or appropriate Director, in consultation with the Executive Director (Section 151), the Head of Human Resources and Employees' Side representative. It should be noted that both current post-holders are long-standing employees who have made extremely valuable contributions to the work of the District Council and to the Forest Community.
- 4.11 It is proposed that the structure be implemented in the main from the 1<sup>st</sup> April 2008. The changes relating to property services and financial services will require further agreement of business cases, approval of the partnership impacts, and will also benefit from the arrival of the new Executive Director with financial responsibilities. A target date of June should be attainable.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 Subject to Business Case approval, there will be an annual saving of at least £82,000, which brings the total saving of the Senior Management Review to £206,000. These have been included in the draft budget proposals.

## **6. CRIME AND DISORDER AND ENVIRONMENTAL IMPLICATIONS**

- 6.1 None arising directly from this report

## **7. EMPLOYEE SIDE COMMENTS**

- 7.1 Para 4.1 - Employee Side believes that the new structure more clearly defines Senior Management and their roles. It gives greater focus and status to Heads of Service. It is hoped within the 12 services the union can organise their structure around it. The Union would like to have a steward in nearly all services to allow access to communication with the Management team at the earliest opportunity.
- 7.2 Currently within the Management Advice Notes, Disciplinary and Grievance procedures are set out according to the previous Management structure. Employee Side do not envisage any problems facing the new structure other than amending the existing notes by transposing the new titles in place of the old.
- 7.3 It is noted in Para 4.6 that planning which had previously two Assistant Directors be restructured into one post and this post holder take on additional responsibilities. Employee Side would like acknowledgement that the post holder is agreeable to this situation. Also whether this will be monitored in the short term in regards to too much pressure being placed on one individual.

- 7.4 It is noted in Para 4.7 that this Head of Service will also have additional duties and the points made in the previous comment are reiterated.
- 7.5 Para 5. Financial Implications - Employee Side believe a gradual phasing in of new logos for Services (i.e. headed correspondence, forms, booklets, vehicles etc) will take place. This will not necessitate the costs of launching new brands for the newly named services. We do believe that this could lead to some confusion amongst the public and customers in the short term.
- 7.6 It is always regrettable to lose staff but we believe staff cuts from lower grades in the name of efficiency have already taken place and a restructuring /delaying of Management will address the balance. No major problems are foreseen with the implication of this new streamlined structure by Employee Side.

## **8. RECOMMENDATIONS**

- 8.1 That Cabinet approve the proposed Heads of Service structure detailed in section 4.9.

### **For Further Information Please Contact:**

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### **Background Papers:**

None.