

SENIOR MANAGEMENT REVIEW**1. INTRODUCTION**

- 1.1 This report considers how well the senior management structure of the authority is working, proposes some short term changes and signals the need for further review later in the year. For this purpose the definition of senior management includes the Executive Management Team (EMT), Heads of Service (HOS), and pay bands 10 and 9 but with a focus at this stage on the Band 10 posts who currently report directly to EMT.

2. CONTEXT

- 2.1 The last restructure in 2007/08 was designed to provide flexibility in a rapidly changing environment and give effective support to the evolving political structure.
- 2.2 Since then actual change in the national political environment and in particular the financial environment has been even greater than envisaged. The authority has had to respond to the impact of the credit crunch, a major reduction in Government grant and a huge number of radical new policies from the Coalition Government.
- 2.3 Including the reductions arising from the last restructure, there have been savings of over £600,000 in senior management costs over the past 6 years. However in preparing the latest Medium Term Financial Plan for Cabinet in January of this year and in seeking to protect front-line services, it was recognised that more savings should be sought.
- 2.4 Workstream 5 of the Plan indicated that as Chief Executive, I would be developing proposals for savings at least proportionate to the overall savings identified for the authority as a whole. The need for such an approach was also reflected in comments through the employee savings idea scheme (30 comments out of over 800 made).
- 2.5 In proposing arrangements for the future, it is important to take into account the capacity of senior management to continue to help take the authority forward positively. The need for innovation and resilience is and will be greater than ever.

3. REVIEW PROCESS

- 3.1 During January and early February I have had individual discussions with both Executive Directors and all Heads of Service, and discussed emerging proposals with the Leader and Cabinet and the Employee Side before presenting findings to the Heads of Service meeting and now to Cabinet. Appropriate discussions have been and are continuing to take place with all employees affected.

4. GENERAL FRAMEWORK

4.1 The review was largely confirmatory that the existing arrangements of an EMT of 3 and 12 Heads of Service are working well. They are providing a flexible response when one is needed more than ever, they are giving good support to the elected member structure and they are continuing to oversee excellent performance.

4.2 In summary form there is broad agreement to the following points:

- EMT/Cabinet and HOS/Portfolio Holder relationships working very well
- Role of Executive Directors (ED) in key corporate themes and projects well understood and respected
- Empowered role of HOS in service strategy and delivery working very well
- Opportunities for greater corporate involvement of some HOS appreciated and successful
- Relationship of EMT and HOS on performance management developing well
- Need for finance lead at ED level confirmed
- Need to look again at band 10s reporting to ED to improve member/management communication
- Role of EMT on vacancy management accepted, but scope to improve process
- Coaching role preferred to old Director model, but better at task review than personal support
- No appetite for complete rotation of EMT/HOS coaching links but some movement regarded as healthy/desirable
- HOS meetings working well – some scope for better communication about major non-corporate issues

5. SHORT TERM CHANGES

5.1 Although the system is working well, the need for financial savings and the changed political agenda following the election of a Coalition Government does require some short term changes and will necessitate further review. The following short term changes are proposed.

(a) Deletion of the Head of Performance and Strategic Development role.

This is the smallest Service Team with a Head of Service and 5 other staff and leads on strategic partnership working, performance management, consultation, equalities, corporate complaints and sustainability. The team has delivered extremely well given such small numbers and is widely recognised as one of the best and also most cost effective in Hampshire and beyond. However while all the areas remain very important, the way in which they are delivered has changed radically in recent months and in some areas the very success of the work done means that good practice is already embedded in other service areas and needs less corporate support. It is proposed to delete the Head of Service post and this will be done in accordance with the Councils' Standing Orders for General Procedures.

The transfer of the services in this area is proposed as follows:

Strategic Partnerships – to be considered in light of review of the need for a Local Strategic Partnership in its current form

Performance/Consultation/Equalities – to move to Head of Human Resources

Corporate Complaints – to move to Head of Legal and Democratic Services

Sustainability – to be reviewed in light of the changing national/local agenda, maintaining a clear focus and lead at Executive Director level on the sustainability agenda.

(b) Review of Graphics and Communications

EMT has just agreed findings of a review of the Graphics and Communications service which includes the deletion of the post of Corporate Communications and Marketing Manager (Band 10). The review concluded that the Corporate Graphics service could best be provided by combining the high quality provision of the current team (at a reduced level) with the business and workload planning expertise under the Head of Leisure Services. The provision of communications work also needed to respond to the decision to cease hard copy distribution of New Forest Today and INQ; the new code of local authority publicity; the reduction in events; the changing opportunity of electronic media and changing contact methods of external media. It is now proposed to move the remaining communications function to join the transferred consultations function under the management of the Head of Human Resources.

(c) Other Reviews

In addition to the Corporate Communications and Marketing Manager there are three Band 10 posts who currently report directly to EMT members and it is proposed that reporting arrangements are changed to transfer to Heads of Service. In line with this, reviews are well advanced in the Coastal and Financial Services Teams, the latter including the deletion of the Band 10 Audit Manager post. As noted above there are also reviews relating to sustainability and partnership working.

It is also proposed that responsibility for Health and Safety arrangements is transferred to the Head of Human Resources and that there be a review of how this function might best be provided across the authority.

(d) Changes Arising from Vacancies

The proposals introduced for strict control of all vacancies by EMT has served the authority well in avoiding the need for a greater number of enforced redundancies. There are two current vacancies at Senior Management level in strategic housing and equalities and complaints and it is not proposed to fill these posts. In both cases further work will be necessary to decide how best to deliver these roles in a changed environment. There will also be some savings arising from decisions over flexible early retirement.

6. FURTHER REVIEW

- 6.1 It is not proposed that this be the end of change/reduction at a senior management level. However there are very good reasons to defer further decisions until later in the year.
- 6.2 The first reason is that there are elections in May and it is very likely that there will be a change in the priorities of the new administration and the member structure at Cabinet and scrutiny level. We will also be clearer by the Autumn on the detailed impact of the very wide number of new Central Government policies affecting ourselves and other partners such as the Police and the Health Service. Not least, we should know something more about the potential working of the Localism Bill. September/October will also be an opportune time to review the operation of the arrangements proposed in this report.

7. FINANCIAL IMPLICATIONS

- 7.1 It is not possible to provide a precise figure until all the reviews have taken place. However there will be savings of more than £250,000 from the short-term changes proposed. In terms of both finance and posts the scale of changes proposed is at least proportional to the overall savings being made.

8. ENVIRONMENTAL/CRIME AND DISORDER/ EQUALITY AND DIVERSITY IMPLICATIONS

- 8.1 There are none arising directly from this report.

9. EMPLOYEE SIDE COMMENTS

- 9.1 Employee Side believes that it is inevitable that as the organisation becomes smaller, reductions will be mirrored proportionately through the structure.

- 9.2 It is always regrettable and some would say tragic when posts are deleted and people are made redundant in the present economic climate. However, we understand that some of those staff affected are relatively agreeable to leaving which will make these changes less acrimonious.
- 9.3 Some of the responsibilities and tasks of those leaving will be delegated to others. This should be recognised as a reality, it is acknowledged that those leaving have made a very significant contribution to the organisation. In recognition of this it may be necessary in the near future to amend the Job descriptions and do job re evaluations of those staff that will be required to undertake additional tasks.
- 9.4 Employee Side would hope in the interests of consistency and fairness that the terms and conditions that are currently in place for redundancy will remain, so that if further reviews are carried out all staff will be treated equally.
- 9.5 The review of Communications and Graphics generated several views which have already been supplied by Employee Side. However, we would hope these views will be considered in the future and this area monitored over the forthcoming months. It would be appreciated if those affected staff are consulted during this ongoing process.
- 9.6 It is appreciated that the review to reduce senior managers will be seen by all staff as a genuine and even handed approach by NFDC to the current problems faced by councils.

10. PORTFOLIO HOLDER COMMENTS

- 10.1 The Policy and Resources Portfolio Holder supports the recommendation detailed below and is very pleased with the way in which members, the Executive Management Team and Heads of Service have worked together to achieve this outcome.

11. RECOMMENDATIONS

- 11.1 That Cabinet supports the management restructuring proposed in this report, and the prospect of a further report later in the year.

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Background Papers:

Senior Management Structure
30 October 2007