



Title: **Top Team Restructuring**

Public Agenda Item: **Yes**

Wards Affected: **Indirectly all wards in Torbay**

To: **Council** On: **29 September 2011**

Key Decision: **Yes – Ref. 1005098**

Change to Budget: **No** Change to Policy Framework: **No**

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1. What we are trying to achieve and the impact on our customers

1.1 As part of the reductions in public spending Torbay Council is proposing to reduce the number of senior officers and then to realign the roles to support the challenge of effectively making the necessary changes in the way it manages, delivers and commissions services during a period of rapid change. The changes will make an annual saving to the Council in the order of £200,000 per year, the changes directly impact on the roles of the 3 current Commissioners.

2. Recommendation(s) for decision

2.1 That the Council maintains the role of full time Chief Executive.

2.2 That the Council maintains the role of Director of Children's Services.

2.3 That the three current Commissioner posts be deleted from the structure.

2.4 That a Director of Adult Services (DAS), Part time (0.6 FTE) post be created.

2.5 That a Director of Place and Resources, full time post be created (see appendix 1 for structure charts).

3. Key points and reasons for recommendations

- To reduce the expenditure on staffing at tier 2 (saving of £194,000 pa).
- To retain flexibility and capacity during a period of rapid public sector change.

- To maintain focus on strategy, policy development and managerial leadership.
- To Strengthen contract management, and develop greater understanding of the operational demands and challenges facing the Care Trust to support the effective commissioning of Adult Services through the **bringing back-in house the role** of a Director of Adult Services.
- To maintain the momentum on exploring options for alternative service provision, through the Director of Place Resources role
- To build on opportunities provided by the return of the public health function to local government.

For more detailed information on this proposal please refer to the supporting information attached.

Elizabeth Raikes Chief Executive
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Supporting information

A1. Introduction and history

A1.1 The current operational management structure has 5 full time posts:

- Chief Executive;
- Commissioner of Communities & Local Democracy (Deputy Chief Executive);
- Commissioner of Children, Schools and Families (Director of Children's Services);
- Commissioner of Place and Environment; and
- Commissioner of Adults and Operations.

Current costs (including 25% on costs) = £729,000

A1.2 The proposal is to retain a full-time Chief Executive and reduce the number of Commissioners from 4 posts (4 FTE's) to 3 posts (2.6 FTE's) at a cost of approximately £536,000. This equates to a variant of Exemplar Three in the Chief Executive's *Leading Through Austerity* paper.

Costs (including 25% on costs) = £536,000
Saving over current costs = £194,000 per annum

Background

A1.3 Since 2008, the Council has reduced the numbers and cost of the top three tiers of management tackling the Directors and Assistant Directors in 2008/09 (through the re-shaping programme) and the Executive Head structure again last year (through the Perpetual Beta programme), the Perpetual Beta programme signalled a review of the Chief Officer structure in this financial year.

Re-shaping: The Commissioning Model

A1.4 Over the last few years the Council has made significant changes in its operating framework moving to a commissioning model well in advance of other authorities. This has led to significant savings and improvements in services, most recently TOR2 and the setting up of the Tourism Company. By value the Council has c. 70% of its services commissioned.

A1.5 The success of the model and the opportunity provided by the proposals to return public health to local government has meant that the Council is able to review its Chief Officer structure and slim it down in response to the need to contribute to making savings and to work in different ways to meet the demands of today's agenda.

The Chief Officer Structure

A1.6 The Chief Officer Structure will be as follows:

- Director of Children's Services – full time;
- Director of Adult's Services – 0.6; and
- Director of Place & Resources – full time.

A1.7 The change in titles signal a different way of working and are titles with which the public and the sector are familiar. It does not mean a return to hierarchical direct-line management. The slimmer structure will not work under old-style working arrangements.

A1.8 In addition, the Director of Public Health, already a joint appointment with Torbay and South Devon NHS Care Trust will take on a wider role in advance of the transfer of the function and associated funding to the Council.

The Role of Chief Executive

A1.9 Both the *Perpetual Beta* and *Leading Through Austerity* papers considered the options for the role of the Chief Executive in some depth. It was considered that it is currently desirable to retain a full time Chief Executive because of the level of changes required over the next 3 years. The Chief Executive will focus particularly on the delivery of the changes needed over the next few years in the operational framework and culture of the organisation in a period of reducing resources.

A1.10 The changes to the chief officer structure will result in changes to portfolios of the chief officers and some Executive Heads. The Chief Executive will discuss and consider the necessary changes throughout the autumn with final decisions being made after the new appointments are completed. The aim will be to ensure accountability is clear and management is as streamlined as possible whilst minimising further changes at this stage. Changes will be more about working differently than changes structures although inevitably change will continue.

A1.11 In addition the Chief Executive will manage a small portfolio and take the lead in the budget setting process.

The functions of the new director roles

A1.12 PEOPLE ROLES

Director of Children's Services

This role is changing with the advent of Academies and the job description is under review.

Director of Adult Services nominally 0.6 FTE

Key functions:

- Commissioning and contract, relationship management, alongside the statutory requirements of the role; and
- Line management of supporting people.

Statutory responsibilities:

- Accountability for assessing local needs and ensuring availability and delivery of a full range of local authority services;
- Professional leadership, including workforce planning;
- Leading the implementation of standards;
- Managing cultural change;
- Promoting local access and partnership working;

- Delivering an integrated approach to supporting communities; and
- Promoting social inclusion and wellbeing.

Other

- Special projects.

Note. This change does not remove the delivery of the adult social care function by Torbay and South Devon NHS Trust. The integration of health and social care is a prize that has been well lauded and is worth retaining. The transition from the current arrangements with the role lying with the Chief Executive of the Care Trust to the Council will take place in the months leading up to the handover. The Council will continue to work in close partnership with the Care Trust.

A1.13 PLACE ROLE

Director of Place & Resources nominally 1 FTE

Key functions:

- Commission and contract/relationship management all Place functions: Torbay Development Agency (TDA), Harbours, Residents and Visitor Services, Spatial Planning; and
- Commission operational services: Finance, Business Planning, Commercial Services, Information and Communication Technology.

Other

- Special projects.

A1.14 PEOPLE AND PLACE

Director of Public Health

This role spans both People and Place and the expanded role will bring together some of the synergies and provide support and expertise to both people and place initiatives and carry on such work as reducing inequalities.

All Directors

All directors will be expected to take a strategic and corporate approach and support cross Council and cross sector programmes and projects, to lead and drive innovative approaches to service delivery, and represent the Council externally and lead relevant partnerships.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

A2.1.1 Risks and Mitigation:

Risks	Mitigation / Advantages
<p>The creation of the Director of Adult Services (DAS) role</p>	
<p>The change to the DAS role may not be seen in a positive light, by partners or the community.</p>	<p>The DAS will ensure greater clarity of outcomes through closer contract management and support the relationship between the Council and the Torbay Care Trust (TCT).</p> <p>The arrangement mirrors the commissioning and provider split within the NHS and will assist in providing better understanding of the operational demands and challenges facing the Care Trust during a period of reducing public expenditure, thus supporting the process of the Council's decision making.</p> <p>In proposing the creation of a DAS role the Council is also expecting to see the following benefits;</p> <ul style="list-style-type: none"> • The ability for TCT to release resources to address the significant challenges of NHS reform. • It will add focus and drive to adult social care, particularly through greater integration, the alignment of commissioning with financial responsibility and encouraging greater understanding within the Council of health and social care. • The separation of commissioning with provider will provide the ability to challenge without conflict of interest. <p>Consultation - the proposal will go to the Torbay Care Trust Board on the 21st September and feedback will be reported to Council when this paper is presented</p>
<p>Reduction in senior officers & part time working</p>	
<p>The reduction in the number of commissioners and the introduction of a part time Director post will reduce capacity to manage current work loads and support the necessary public sector changes.</p>	<p>It is acknowledged that the structure reduces resources, but this is also at a time when some of the significant commissioning activity has been completed, which provides an opportunity to review the senior management resource requirements, and it is felt the current structure and distribution of roles provides sufficient senior management input.</p> <p>The introduction of a part time post also provides a degree of flexibility if additional resources are required.</p> <p>The Chief Executive will be taking on additional responsibilities and a limited portfolio, which does therefore</p>

Risks	Mitigation / Advantages
	<p>mean a reduction in the resource requirements at the commissioner level.</p> <p>The structure still provides sufficient flexibility to provide management cover in the event of an unforeseen crisis, or to cover the departure or absence of senior staff.</p>
<p>The reduced capacity will make it difficult to respond to the nine Executive Leads as at present.</p>	<p>The new posts will need to focus on strategy, policy development and managerial leadership. Members will need to go directly to Executive Heads for operational matters. Executive Heads will also take greater accountability for performance, supporting Executive Leads directly on delivery and scrutiny. Operating in this way will be more efficient as it enables a closer working arrangement between Members and appropriate Executive Heads.</p>
<p>In any restructure there is the possibility that customer focus is lost.</p>	<p>Being aware of the problem ensures that it will receive the attention needed particularly from the Chief Executive as she completes the necessary structural changes below chief officer level. These will be designed to disrupt service delivery as little as possible. The public should see no difference in direct service delivery resulting from this change other than changes that will occur from other budget pressures.</p>

A2.2 Remaining risks

As a small Unitary Authority, the Council will always retain the risk associated with the departure or absence of key senior managers. However, the Council does have the facility to cover this issue in the short term and due to the current public sector reductions, it is likely to be less difficult to recruit key staff, the Council will need to ensure that the ability to provide cover in the short term is maintained.

A3. Other Options

A3.1 A number of exemplars were considered in the *Leading Through Austerity* paper or proposed through the consultation, and variants on the models put forward have been considered. In main exemplars and variants are summarised as follows:

No Changes – rejected as this does not provide any cost savings or the opportunity to strengthen arrangements with the Torbay Care Trust.

The Executive leadership model – The Mayor has nine Executive Leads this option would have given departmental responsibility for certain Council functions the Executive Leads. This option was rejected because it would have required full time involvement by elected members and changes in delegation. It would also require allowances commensurate with the increased responsibility and changes to delegated authority in the Constitution. In addition it is a large scale change, and would sit outside any legislative framework which would be provided by the localism bill should that become law.

Remove all Commissioner roles - This would have removed all the non statutory operational roles. However, the roles of Director of Children's Services would remain and the indications are that the Director of Public Health role once the NHS changes have occurred would be at that level It would also mean that some current Executive Heads would need, in part, to fill the roles as the Council still requires a core management team at that level within the organisation. This was rejected, due to the removal of key skill sets and capacity during a period of rapid change, and the need to replace that through the reallocation of some activities to Executive Heads.

Various permutations of responsibilities, number and full time values of the new structure – A range of different splits of responsibilities, full and part time working have been explored. It is felt that the current proposal provides the best fit between cost saving, maintaining flexibility, capability, capacity and the ability to provide management support to key strategic issues. However it is inevitable that this will need to be under review as the context and challenges the Council faces change.

A4. Summary of resource implications

Overall saving of £194,000 per annum.

Redundancy costs may be incurred but are unknown at this point as this is dependent on the individuals concerned.

Final costs may change as the roles will be subject to job evaluation.

A5. What impact will there be on equalities, environmental sustainability and crime and disorder?

All the changes proposed will be carried out in accordance with approved Human Resource policies. These policies have been equality impact assessed, and have been agreed through the Council's consultation process.

A6. Consultation and Customer Focus

- A6.1 The Chief Executive circulated a paper (*Leading Through Austerity*) to current Commissioners, employees, Members and key partners for comment in July 2011 with the deadline for responses being the end of August 2011. 12 individual responses were received as well as verbal responses from each of the political groups and through discussions with members.
- A6.2 As the paper built on the previously circulated consultation for the restructuring of the Executive Head structure, and the role of the Chief Executive (*Perpetual Beta*), it is felt that the limited individual feedback was a result of the similarity of issues explored in the documents, albeit at different levels in the organisation.
- A6.3 Independent advice and challenge was also sought from Russell Symons, Director, South West Councils on the proposed changes.
- A6.4 The proposal for the creation of the DAS role will go to the Torbay Care Trust Board on the 21st September and feedback will be reported to Council when this paper is presented.

Note – These changes impact directly on the current commissioners and whilst they have had the opportunity to comment on the range of proposals, a period of individual formal consultation will be required as part of the normal change processes. It is anticipated that this will be carried out in the next few months with the new appointments being made in early January.

A6.5 The new appointments are Member appointments through a properly constituted panel. Other structure arrangements are the responsibility of the Chief Executive as Head of Paid Service.

A6.6 The changes are to be effective by 1 April 2012.

A7. Are there any implications for other Business Units?

There are no direct implications for Business Units. However reporting lines will change as part of the restructuring process.

Appendices

Appendix 1 - Proposed Structure Chart

Documents available in members' rooms

None.

Background Papers:

Leading Through Austerity – a discussion document on Top Team Restructuring

<http://insight/leading-through-austerity.doc>

Perpetual Beta – a discussion document on the review of the Executive Head restructuring and the role of the Chief Executive <http://insight/perpetualbeta.doc>