

PAPER D

Purpose : for Decision

REPORT TO THE CABINET

Date : 13 JUNE 2006

Proforma : CHANGE MANAGEMENT – A REVISED MANAGEMENT STRUCTURE

REPORT OF THE LEADER OF THE COUNCIL

IMPLEMENTATION DATE : 22 JUNE 2006

PURPOSE

1. To approve a revised structure to enable the Council to deliver the Aim High Corporate Plan.

BACKGROUND

2. The Aim High Change Management Plan, approved by Full Council in October 2005 has developed into the Aim High Corporate Plan, adopted by Full Council in April 2006.
3. The Cabinet, within the budget approved by Full Council in February 2006, has the responsibility of ensuring delivery of the objectives set out in the Corporate Plan during this and future years.
4. On advice from the Chief Executive and Head of Paid Service, it is a function of the Cabinet to ensure that senior managerial and service delivery structures are fit for the purpose of delivering the Corporate Plan.
5. The management structure was last considered by Cabinet on the 30 August 2005, in the context of the imminent Change Management Plan.

PROPOSED STRUCTURE

6. Appendix 1 sets out the proposed structure setting out the senior posts and the functions associated with them. The Chief Executive, as Head of Paid Service, has the delegated authority to refine the allocation of functions from time to time. Any substantial future change will be determined by the Cabinet, particularly if posts are to be added or deleted.

Chief Executive

7. The role of the Chief Executive, working in partnership with the collective Members to shape and deliver Island-wide and Corporate objectives through the Council's functions and through partnerships, remains unaltered by this report.

Director of Finance

8. It is proposed that one of the posts of Assistant Chief Executive be deleted and replaced by a Director of Finance post. Becoming a cost effective council is a corporate objective and the change will ensure a high level corporate focus on developing and delivering short and medium term financial plans
9. Bearing the statutory responsibilities of Chief Finance Officer, the post holder will also have accountability for the accountancy, audit and for ensuring a deliverable, fit for purpose, medium term financial plan is developed, renewed and delivered.

Director of Partnership, Policy and Performance and Deputy Chief Executive

10. The post of Director of Partnership, Policy and Performance and Deputy Chief Executive will be created with immediate effect to take responsibility for the functions of Internal Governance (Legal Services, Committee Administration, Members' Support); External Governance (Double Devolution, Elections, Support to the Island Strategic Partnership); Policy and Performance (Corporate Policy, Overview and Scrutiny, Information Management); Human Resources; Communications; Revenues and Benefits, Exchequer Services, and ICT Services.
11. Accountability for developing options for a strategic transformational partnership will lie with this post. Accountability for delivery of customer services in the transformational period will lie with this post. Responsibility for developing a service procurement strategy through the Strategic Transformational Partnership will also lie with this post.
12. Human Resources and Communications will each be a significant priority as the outcomes of the Corporate Assessment and Joint Area Reviews are delivered through improvement plans. These functions may be delivered in house or through the management of contracts with external providers. Each role will require the existing senior posts.
13. It is proposed that one of the Assistant Chief Executive posts remain on the establishment for a period of up to two years. This phased deletion will ensure additional capacity at the corporate centre over the period of intense change necessitated by the existing corporate plan, and the anticipated improvement plan which will follow the Corporate Assessment and Joint Area Review.
14. The statutory role of monitoring officer will, subject to designation by Full Council, lie with this role.

Children's Services

15. A Director of Children's Services is required by law. There is no substantive change to the responsibilities of this post. The functions for which the post will be accountable include schools, pupil services, children and families (including safeguarding of young people) and school infrastructure. In the interim, until a

permanent postholder is recruited, John Lawson will retain the statutory designation of “Director of Children’s Services”.

16. Accountability for delivering the Children’s Trust arrangements and for ensuring improvements in school attainment will lie with this post.

Adult and Community Services

17. The post of Director of Adult and Community Services is likely to be a statutory requirement. Recent guidance sets out the nature of the role – focussing on public health, delivery of care to adults in need of services, and ensuring that the duties of social inclusion and wellbeing are delivered corporately and through partnerships. Complementary roles suggested in the guidance include adult learning and leisure.
18. There is no substantive change to the responsibilities of this post. Accountability for driving the integration of health and social care services to adults will lie with this post. Functional accountability will be for Adult Services (those over 18 with assessed of social care needs); housing; culture and leisure services (including adult learning).

Director of the Environment and Neighbourhoods

19. It is proposed to delete the existing post of Director of Economic Development and Regeneration. Its current responsibilities will be reallocated to this post and the Director of Regeneration and Development.
20. Delivery of a sustainable, fit for purpose infrastructure underpins several corporate objectives. Creation of this post will ensure operational and corporate capacity over a period of intense activity to bring the existing infrastructure up to standard. Accountability for the delivery of an integrated highways private finance initiative will lie with this post.
21. The development of integrated public realm management at a neighbourhood level to complement the outcome of emerging “double devolution” will also be the responsibility of the postholder.
22. Functional accountability will include engineering services and highways maintenance; traffic and transportation; street and decorative lighting; parking management; waste management; public conveniences; beach cleaning; parks and countryside services, Area of Outstanding Natural Beauty team.
23. The Director may be asked to develop a centre of excellence for the letting and management of contracts and externalised services.

Director of Regeneration and Development

24. Delivering sustainable improvement in the economic and social wellbeing of the Island, over a period expected to see significant economic, climate and social change requires the greater capacity which creation of this post will bring.

25. Functional accountability will be for regeneration (property management, sustainable communities and coastal management); planning services (major developments, area based development control, building control, conservation and design); tourism (tourism strategy, operations/client side for externalised functions, researching quality development, strategic events team).

Community Protection

26. There is no substantive change to the Director of Safer Communities post as agreed by Cabinet in August 2005. The focus remains on the delivery of an integrated approach to safer communities. Accountability for developing an integrated cross-cutting and partnership based safer communities function will lie with this post. Functional accountability will include Fire and Emergency Services, Consumer Protection and Operational Safer Communities functions.

Organisational Development

27. The functions currently grouped within the Organisational Development Shadow Department will be allocated to one or other of the Director responsibilities as options for a strategic transformational partnership develop. In the short to medium term accountability will lie with the Director of Partnerships, Policy, and Performance and Deputy Chief Executive.

Scheme of Delegations

28. The Constitution provides for the Leader of the Council to determine a Scheme of Delegations. As the new structure, if approved by the Cabinet, is implemented the Leader of the Council will be invited to take a Delegated Decision, establishing a functional scheme of delegations, namely lawful officer decision making within the new structure.

STRATEGIC CONTEXT

29. The proposed structure reflects the five corporate priorities of the Council and is designed to ensure delivery of those objectives as set out in the Corporate Plan.
30. Five immediate priorities have been agreed since the Cabinet last considered the management structure on 30 August 2005. The proposed structure creates considerable extra capacity to focus on those five priorities, in the shorter term, whilst ensuring other significant initiatives are not under resourced.
31. The proposals create extra capacity in the corporate centre, which is likely to be a recommendation arising from the Corporate Assessment process.

CONSULTATION

32. The proposed structure is a refinement of the existing establishment. Consultation with individual members of staff and with Trade Unions will be required, but no wider consultation with staff or partners is proposed.

FINANCIAL/BUDGET IMPLICATIONS

33. The proposals, which incorporate advice from recruitment consultants in respect of salary levels necessary to attract the right calibre of applicants, as well as an additional director's post, will cost £293,000 for appointments at the bottom of each range. This can be met from provision made in the 2006-07 revenue budget for this purpose (£49,000), vacant policy posts whose role is now subsumed within the new structure (£145,000) and one-off funding of the temporary Assistant Chief Executive's post from savings on the Strategic Transitional Partnership procurement budget (£99,000). In these circumstances the budget impact would be neutral in year one.
34. Longer term costs, reflecting performance linked payments over the next six years, would be £5,000 higher, with a theoretical maximum of £298,000, and a net budget impact of £105,000. If some initial appointments were of necessity made above the scale minimum, then this position would be reached sooner. The potential additional future costs will be taken into account in the next budget setting round.

LEGAL IMPLICATIONS

35. Determining the management and service delivery structures of the council is a Cabinet function. Recruitment and determining terms and conditions are a function of the Full Council, determined where member decision-making is required, through the Human Resources Sub Committee.

RECRUITMENT PROCESS

36. Recruitment to the Director Posts, and more other vacant senior posts will take place in phases over the next five months. Timing of the phases will ensure that senior posts are filled first, with the minimum of delay between phases. Newly appointed Directors will, by these means, be able to participate in the recruitment of their own direct reports.

OPTIONS

37. There are many alternative structures which could be adopted. The objective is a senior team, and allocation of functional responsibility which has sufficient capacity, at a cost which ensure the cost effective discharge of the functions of the Council.
38. The proposed structure is designed to deliver cost effective delivery of the Aim High Strategy.

EVALUATION/RISK MANAGEMENT

39. Identifiable risks associated with adopting the structure are that:
 - it creates insufficient capacity in some areas, or corporately;
 - the structure is disproportionately expensive;

- it proves impossible to recruit suitable applicants and make appointments

40. Advice from the Chief Executive is that this is the optimum structure to deliver Cost effective delivery of Aim High. The risk of failure to appoint is mitigated by the engagement of recruitment consultants with vigorous head hunting for the posts which are deemed hardest to fill.

PROPOSED TIMELINE

41. Consultation:
Recruitment – Phase 1 (Director and HR/Communications posts)
Recruitment – Phase 2
Recruitment - Phase 3

RECOMMENDATIONS

42. It is recommended that the structure set out in the Appendix is adopted.

BACKGROUND PAPERS

Aim High Corporate Plan

APPENDICES

Draft Senior Management Structure

ADDITIONAL INFORMATION

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APPENDIX



