

PLYMOUTH CITY COUNCIL

Subject: Senior Management Restructure People Directorate and Designation of Monitoring Officer and Section 151 Officer

Committee: Council

Date: 24 November 2014

Cabinet Member: Councillor Evans

CMT Member: Tracey Lee (Chief Executive and Head of Paid Service) and Carole Burgoyne (Strategic Director for People)

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Ref:

Key Decision: No

Part: I

Purpose of the report:

This report sets out proposals for changes within the People Directorate's organisational structure as a result of the aggregated effects of the four projects within the Integrated Health and Wellbeing Programme (IHWB) of the Transformation Programme.

It also proposes to formally designate the Assistant Director for Finance as Section 151 Officer and the Head of Legal Services as Monitoring Officer in light of the changes created by the senior management restructure.

The People Directorate Review is a programme-level activity within the IHWB Programme, and was initiated when the scale of the changes being planned within the four projects became apparent.

A phased approach to the implementation of organisational changes is being proposed and, therefore, this is an initial report which addresses the re-organisation of the directorate at a senior level. It will be followed by a more substantial report when the detail of the planned changes is fully determined and further recommendations can be made.

Power to deal with this type of decision is given to Council rather than Cabinet under the Local Government (Functions and Responsibilities) Regulations 2000.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

The recommendations within this Report align to the Plymouth City Council Corporate Plan by accelerating progress towards the IHWB Programme's outcome of working co-operatively to meet the objectives of creating a Caring and Pioneering Plymouth. It also aligns to the Health and Wellbeing Board's vision of achieving Integration by 2016, as decided in June 2013.

These recommendations will support the Corporate Vision through:

- Being pioneering in developing and delivering quality, innovative brilliant services with our citizens and partners that make a real difference to the health and well-being of the residents of Plymouth through challenging economic times.
- Putting citizens at the heart of their communities and work with our partners to help us care for Plymouth. We will achieve this together by supporting communities, help them develop existing and new enterprises, redesign existing services which will in turn create new jobs, raise aspirations, improve health and educational outcomes and make the city a brilliant place to live, to work and create a future for all that reflects our guiding co-operative values.
- Raising aspirations, improving education, increasing economic growth and regeneration people will have increased confidence in Plymouth. With citizens, visitors and investors identifying us as a “vibrant, confident, pioneering, brilliant place to live and work” with an outstanding quality of life.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

It is proposed to make the changes in the People’s Directorate in three phases as described within the report to align with the implementation of the IHWB Transformation Programme milestones.

Phase 1 is designed to reduce the number of senior officers within the directorate in order to prepare for the significant changes that will occur in Phase 2. It will also realise an in-year saving in the region of £100,000.

Redundancy costs and pension costs will be met from reserves allocated for this purpose.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

None identified

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? Yes

Recommendations and Reasons for recommended action:

It is recommended that:

- (1) Council approve the proposals for changes to the People Directorate’s organisational structure.
- (2) Council notes the outline timetable implementing the changes.
- (3) Council establish an Appointments Panel with delegated authority to consider any further responses from the collective and individual consultation undertaken; approve the role profiles of the new positions; agree how the roles will be selected; make appointments to Chief or Deputy Chief Officer roles as appropriate and agree the dismissal of any Chief Officer by means of redundancy subject to the Council’s redundancy policy.
- (4) Council establish an Appeal Panel with delegated authority for hearing and considering any appeals against any potential Chief Officer redundancies.

- (5) Council delegates to the Strategic Director for People the function of appointing and dismissing the new post of Head of Commissioning and Head of Housing who will report directly to the Strategic Director for People given the nature and responsibility of these posts.
- (6) Council notes the appointment of Lesa Annear as Strategic Director for Transformation and Change and the interim arrangements that have been put in place pending her arrival in the new year.
- (7) Council -
- (a) confirms the designation of the Assistant Director for Finance, as the Council's officer responsible for the administration of its financial affairs in accordance with Section 151 of the Local Government Act 1972 in light of the changes created by the senior management restructure; and
- (b) formally designates the Head of Legal Services as the Council's Monitoring Officer with immediate effect. The Head of Legal Services has been acting as Monitoring Officer since March 2014.

The reasons for these recommendations are that resources available to local government are significantly reducing year on year. The activities that are being undertaken by the IHWB Programme are addressing this challenge through the transformation of the way services are delivered. Co-operative working with our partners is an essential element of this approach and is helping to deliver more efficient services.

The overall impact of these changes is resulting in a fundamental change to the operational design of the People Directorate, and the proposed restructure is intended to balance resulting savings with the need to ensure we have the capacity and skills for the future.

The reason for the recommendations in respect of the formal designation of the officer responsible for the administration of its financial affairs in accordance with Section 151 of the Local Government Act 1972 and the Council's Monitoring Officer are to meet the Council's statutory responsibility to designate officers to undertake these duties.

Alternative options considered and rejected:

None.

Published work / information:

None

Background papers:

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7
Equality Impact Assessment		x	x	x					

Sign off:

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Originating SMT Member: Chris Squire													
Has the Cabinet Member(s) agreed the content of the report? Yes													

1.0 INTRODUCTION AND SCOPE

The purpose of this report is to set out proposals for changes within the People Directorate's organisational structure as a result of the aggregated effects of the four projects within the Integrated Health and Wellbeing Programme (IHWB) and their consequential changes to the People Directorate's organisational structure.

The People Directorate Review is a programme-level activity within the IHWB Programme, and was initiated when the scale of the changes being planned within the four projects became apparent.

A phased approach to the implementation of organisational changes is being proposed and, therefore, this is an initial report which addresses the re-organisation of the directorate at a senior level. It will be followed by a more substantial report when the detail of the planned changes is fully determined and further recommendations can be made.

2.0 OUR DRIVERS FOR CHANGE

The People Directorate is going through a period of considerable change as a result of:

- Decreasing funding
- Increased demand on services
- Legislative changes
- Increased emphasis on joint working with Health and other partners

In response to these drivers of change, the Integrated Health and Wellbeing programme was initiated in order that the Council can engage with partners to deliver services at a lower cost, whilst also improving outcomes and customer satisfaction. The aim of the programme is to achieve "One system, one budget to deliver integrated, personal and sustainable care".

The vision for the Health and Wellbeing programme is to establish a collaborative, integrated and strategic approach as to how Plymouth City Council and NEW Devon CCG with some partners commission and deliver services, with the aim of improving patient/service user experience and improving outcomes for residents in Plymouth from the resources available.

The Programme contains four projects:

- Integrated Commissioning
- IHWB Delivery (Adults Services)
- Implementing the Care Act
- Co-operative Children and Young People's Services

The impact of these projects, when combined together, has resulted in the need to review the organisational shape of the People Directorate.

Meeting our financial challenges and transforming our services

Resources available to local government are significantly reducing year on year. The activities that are being undertaken by the IHWB Programme are addressing this challenge through the transformation of the way services are delivered. Co-operative working with our partners is an essential element of this approach and is helping to deliver more efficient services.

The overall impact of these changes is resulting in a fundamental change to the operational design of the People Directorate, and the proposed restructure is intended to balance resulting savings with the need to ensure we have the capacity and skills for the future.

Integration with partners

The IHWB Programme is proposing to deliver significant partnership working through a range of decisions including:

- Creating an interim integrated commissioning function across the Council and NEW Devon CCG from 1 April 2015.
- Work collaboratively to develop a fully integrated commissioning function new entity from 1 April 2016.
- Integrating Council and Health commissioning budgets through a Section 75 agreement with CCG from 1 April 2015.
- Integrate Adult Social Care staff with the Plymouth Community Health staff through a Section 75 agreement from 1 April 2015.
- Creating a Local Authority Trading Company between the Council's Educational Catering function and the primary schools of Plymouth.
- Creating a joint venture between the Council's Adult Learning and Skills function (PACLS) and two external organisations: Shekinah and YMCA
- Creating a number of educational joint ventures between Council functions and external organisations

Strong and effective service performance

We must ensure that we undertake change whilst continuing to deliver effective services.

3.0 ORGANISATIONAL CHANGE PROCESS

The major level of change will take place in the 15/16 financial year with significant numbers of staff leaving the Council in order to join external organisations. However, other changes are already taking place in preparation for these significant moves. On this basis, it is proposed to undertake organisational change in three phases, as outlined below.

Phase 1 is a realignment of the current management structures and activities so they may best work together in the public interest and achieve an immediate saving through a net reduction in staff posts. Subject to Council approval this is expected to be completed no later than December 2014.

Phase 2 will be a review of the functions and confirm those that will remain within the People Directorate, in order to consolidate and combine similar services and teams, with a view to reducing the number of specialist teams and replace them a small number of teams which will operate a demand-led approach to service provision. The design work which is currently being undertaken in the Co-operative Children and Young People's project will also have an impact on this review. It is possible some staff, teams or functions would be better aligned to other areas of the Council and these options will be considered. As a result, a consolidated organisational structure will be implemented by April 2015.

Phase 3 involves the final tranche of transfers of staff into other organisations which is expected to take place between September 2015 and April 2016. The transfers will include some of the clusters from the Children and Young People Project and the creation of a new joint venture

from the integration of CCG and Council commissioning staff which will be brought together in April 2016.

In summary, subject to the outcomes of consultation and the final proposals being accepted by City Council on 24th November 2014, we will proceed with implementing Phases one and two over the coming months, whilst making preparations for Phase 3.

4.0 MANAGEMENT PRINCIPLES

More important than organisational structure is the way people operate and behave. The following will be the basis for the way we work in the future:

- Systems leadership principles will continue to be applied, senior managers will continue to be peer leads on cross-cutting issues, mandated to work across the Council and with partners to ensure the best solutions are identified and implemented. We will continue to use this approach to cut through siloes both within the organisation and with our partners to ensure that we are delivering the best solutions.
- Working with partners is strategically important as a means of maximising service delivery capacity.
- The management capacity of the directorate must adjust itself to the accountabilities and responsibilities it retains. These include
 - Directorate strategic capacity
 - Cross-corporate leadership capacity
 - Statutory accountability
 - Intelligent Client ('Commission the Commissioners')
 - Partnership working
 - Representation on Plymouth and area bodies
 - Relationship with Government bodies
 - Leadership in the city e.g. skills development, sport
 - Operational management
 - Peer to peer support
- All services are to be demand-led, responding to the changing needs of our customers, whilst remaining within our budgetary constraints
- A value-led approach to performance management, embedding individual accountability for delivery and a sense of mutual trust.

5.0 TRAINING AND DEVELOPMENT

The People and Organisational Development Programme will provide the framework for staff to maintain and further develop the right organisation to support a Brilliant, Co-operative Council. As the proposed organisational changes take place, the framework will support staff to effectively embrace the challenges that are presented.

6.0 PROPOSALS

It is proposed to make the changes in three phases as described below to align with the implementation of the IHWB Transformation Programme milestones.

Phase 1 is designed to reduce the number of senior officers within the directorate in order to prepare for the significant changes that will occur in Phase 2. It will also realise an in-year saving in the region of £100,000 and involves:

- The removal of the Homes and Communities department and the movement of its functions and staff to the remaining departments within the People Directorate.
- The separation of the Co-operative Commissioning team from the Adult Social Care department. The Head of Co-operative Commissioning to report directly to the Strategic Director for People.
- The deletion of the post of Assistant Director for Homes & Communities. This is a Chief Officer post.
- The deletion of the post of Personal Assistant to the Assistant Director for Homes & Communities.
- The deletion of the posts of Head of Housing Options and Head of Regeneration and Renewal and the creation of a Head of Service post for Housing Services to report direct to the Strategic Director for People. The gypsy and traveller responsibilities to move to this area.
- The neighbourhood & community work in the Head of Regeneration and Renewals area to move to the Head of Community Services. The Head of Community Services to report to Assistant Director ELAFS
- The movement of Head of Youth Services to Children's Social Care to report to the Assistant Director Children's Social Care.
- The Family Intervention team (FIP) and Families with a Future team (FWAF) to move to Children's Social Care under Service Manager Targeted Family Support who will report initially to Assistant Director Children's Social Care.
- PACLs and Education Catering to report to Assistant Director ELAFS until their new arrangements commence.
- The four posts reporting to the Assistant Director, Education, Learning and Family Support to be called, Head of Education & Skills, Head of Knowledge & Planning, Head of SEND and Head of Neighbourhood & Community Services.
- The ACE Services Manager to report to Head of Education & Skills.
- The Educational Psychology Service to Head of SEND.

Phase 2 will involve:

- A realignment of the teams within the directorate to reflect the analysis which has been undertaken in order to appropriately align them in relation to demand for their services and the organisational capacity to supply them. This will also take into account the design work which is currently being undertaken in the ELAFS, Homes and Communities, and CSC departments.
- The transfer of Adult Social Care to Plymouth Community Health Care.
- The creation of an interim integrated commissioning team, staff will remain in existing organisations.
- The externalisation of some clusters from within the ELAFS department

Phase 3 will involve:

- The development of the remainder of the clusters from within the ELAFS department
- The development of the integrated commissioning team as a new entity.

7.0 BUDGET POSITION

The proposed organisational changes have financial benefits which are in summary:

- Phase 1 will address some of the in-year budgetary pressures
- Phase 2 and 3 will result in benefits being achieved which are defined in the business case for the Integrated Health and Wellbeing Programme.

8.0 THE CONSULTATION PROCESS

Consultation has taken place with all those affected directly and the trade unions and staff affected have been able to feedback their views in a number of ways:

- Verbally or in writing, individually or as teams
- Through their Trade Union representatives.
- Directly to the Strategic Director for People – Carole.Burgoyne@plymouth.gov.uk
- By email via HR to Bernadette.smith@plymouth.gov.uk
- Collectively with your colleagues at your departmental management team meetings

The deadline for initial feedback on these proposals was Wednesday 19th November 2014. Details of the feedback received, if any, will be available to Members in a report to follow this report and a further opportunity will be available for staff to provide individual feedback to the Appointments Panel to consider at its proposed meeting.

9.0 IMPLEMENTATION PRINCIPLES AND SELECTION PROCESSES

The proposals set out the proposed deletion and creation of posts. Consultation has taken place on the best way forward.

There is a proposed net reduction in posts and therefore it will be difficult to avoid putting individuals at risk of redundancy. It is therefore proposed, in line with the Council's Redundancy Policy and arrangements relating to Chief Officers, to identify individuals at risk of redundancy through the posts being deleted.

If Council approval is given then a formal redeployment period will commence where necessary. Employees who may be potentially 'at risk' of redundancy have already been given "Early Access" to Plymouth's Redeployment Pool and they were notified of this early access on Thursday 16th October 2014.

Formal Statutory notice of redundancy will only be issued, if redeployment has not been possible. Employees that are given statutory notice of redundancy will have the right to appeal against the decision to dismiss them. Employees will be given appropriate support and will be advised of their individual statutory notice period. Where appropriate, we propose to ring fence individuals to roles based on specialist skills and experience. Where there is more than one individual who potentially can be allocated to a role, a competitive ring-fence will arise.

10 APPOINTMENT OF STRATEGIC DIRECTOR FOR TRANSFORMATION AND CHANGE

The Appointments Panel has appointed a new strategic director to lead our transformation programme. Plymothian Lesa Annear will join the Council as Strategic Director for Transformation and Change early in the new year. She is currently Head of Capability and Performance at EDF Energy where she has been leading large change programmes and projects.

Lesla will be responsible for a programme that will introduce new ways of working and delivering services across the Council to provide better services for customers and help address our projected funding shortfall caused by reduced Government funding.

As well as the transformation programme, Lesla will be responsible for the department that includes finance, customer services, libraries and human resources.

During the period before Lesa joins the Council, Carole Burgoyne will lead the transformation programme and Giles Perritt the Corporate Services department.

II FORMAL DESIGNATION OF SECTION 151 OFFICER AND MONITORING OFFICER

In accordance with the Local Government Act 1972, there is a statutory requirement on the Authority to designate one of its officers as a Responsible Finance Officer (Section 151 Officer). This role is required to be designated to a suitable qualified individual. In accordance with the Local Government and Housing Act 1989 there is a statutory requirement for the Authority to designate one of its officers as Monitoring Officer.

The Section 151 Officer, along with the Head of Paid Service and the Monitoring Officer combine to form the Council's Statutory Officer functions. These roles are key to ensuring lawfulness, fairness, probity and general good governance that support the council in achieving its aims.

It is important that they work effectively together yet maintain appropriate independence and that the roles are undertaken by adequately skilled and experienced staff supported by appropriate resources.

Following completion of the Senior Management restructure with the appointment of a Director for Transformation and Change this report seeks formal approval of the designation of the Assistant Director for Finance as the Section 151 Officer and the Head of Legal Services as the Monitoring Officer. The Assistant Director of Finance was designated as Section 151 Officer by Council on 22 July 2013 in his former role of Assistant Director Finance Efficiencies Technology and Assets. The Head of Legal Services has been acting as Monitoring Officer since 21 March 2014. The suitability of the staff appointed as Assistant Director for Finance and Head of Legal Services to also carry out these statutory roles was tested and approved by the Appointments Panel as part of the senior management restructure exercise.