

Agenda item:

Decision maker: Employment Committee

Subject: Changes to Senior Management Structure

Date of decision : 26 July 2011

Report by: David Williams

Wards affected: None

Key decision (over £250k): N/A

1. Purpose of report

To advise Members of changes to the senior management structure of the Council in the light of changes to the organisation and the role of local government and reductions in the number of Strategic Directors and Heads of Service.

2. Recommendations

It is recommended that:

2.1 Members endorse the re-alignment of Strategic Directors and Heads of Service following reductions in staffing levels and changes to the future role of the council.

3. Background

In January 2011, I advised this committee that in the light of the reductions in central government funding, it is inevitable that further changes will take place to the managerial structure and capacity needed and affordable within the council, and that this will be kept under review as the coalition government's legislative programme develops.

The Budget report to Council on 8 February explained that over the next three years the council will be undertaking further organisational changes to drive down costs and seek further efficiencies. Part of that process will be that the Council will become more focussed on being a strategic commissioner of services from a range of potential suppliers, including in-house provision, private sector, voluntary and community sectors and social enterprise. The pace and nature of this change will be influenced by the following:

- Reduced resources and capacity
- Outsourcing, shared services and joint working with other councils
- Central government changes to councils relationships with schools
- Proposed transfer of public health from NHS to local government

- National review of the funding of adult social care
- Implications of changes to the welfare regime
- Knock-on implications to changes to other public bodies such as directly elected police commissioners and the role of local authorities in crime reduction partnerships.

Since the Employment Committee's decision on senior management structure in July 2007 the number of senior managers (Strategic Director and Head of Service equivalents) has been reduced from 33 in 2007 to 22. These changes have reduced the cost of the council's senior management structure by over £1.2m per annum, and have been achieved in accordance with the needs of the service and to meet the requirement to reduce organisational costs.

4. Alignment of Strategic Directors and Heads of Service

Over the last four years there have been a number of gradual changes to the senior management structure of the organisation. Further changes are to be expected over the next few years as the council responds to the implications of the government's legislative programme. In the light of the most recent reductions in senior managers and the anticipated changes in the focus and role of the councils work, it is timely to report to the Employment Committee a further phase in the evolution of the managerial structure.

In addition to the reduction at Strategic Director level, the proposed changes also take account of the inevitable shift in emphasis of the organisation towards commissioning cost efficient public services, with an emphasis towards the council's priorities of meeting the needs of the most vulnerable in the community, raising educational attainment and regenerating the city.

The structure also anticipates likely changes which are currently in the government's legislative programme, notably the changes around Public Health (which remains uncertain), and the implications of the Localism Bill. It also responds to the work undertaken to achieve efficiency savings across the Council, so that the necessary budget cuts can be achieved whilst minimising cuts and hopefully improving service delivery to the public. These changes are being developed collectively within a transformation programme called 'Shaping our Future'. Taken together, these changes are expected to result in:

- ❖ A stronger emphasis on evidence based commissioning of services designed to meet customer needs
- ❖ Simplified and streamlined processes
- ❖ Improved customer management, including removal of unnecessary hand-offs and repeat contacts
- ❖ More 'self service' where appropriate both for external customers and employees
- ❖ A mixed economy of service provision depending on what suits Portsmouth's requirements, including private sector, voluntary sector, Trusts, social enterprise etc.
- ❖ Building and maintaining partnerships and influence and work on 'outside bodies' will become an increasingly significant activity for Members and senior officers.

- ❖ Greater centralisation of clusters of support skills to support commissioning, either within PCC or in shared services, such as PUSH, integrated commissioning unit etc.

This amounts to a significant change programme within the council over the next few years, with a lot of preparatory work on-going. Proposals for this will be going to the Cabinet and Council over the coming months in order to demonstrate how they can assist the Council in making the budget cuts needed over the next three years. On the basis of this degree of change, and the changes which are anticipated as a result of the national legislative programme, I do not propose a radical change to the structure at this stage – the future is too uncertain and the Strategic Director/Head of Service model is performing well in difficult circumstances.

However, it is important that we have a firm basis for the management of the organisation during so much change, and that we have a clear direction of travel. The re-alignment of Service Units to Directors that I am proposing moves the senior management towards a structure of groupings based around **People, Place and Performance**. It acknowledges the importance of continuing to drive the Shaping our Future programme across the whole council, particularly through the ‘front line’ services. This work is co-ordinated by the Audit and Performance Improvement Unit. I chair the officer transformation board and will be looking to Julian Wooster to act as the lead Director over the implementation phase. I believe that this will serve the council well in meeting the next stages of change that the council is anticipating; but it should not be seen as a final step – the environment within which we are delivering services is changing fast, and whilst further change can be anticipated it cannot be predicted accurately enough to adopt fixed structures. Over the next few years there will continue to be significant changes to the role and purpose of the council, and the management structure will need to further adapt to best support the delivery of the range of public services it encompasses. The current alignment is set out in **Appendix 1** and the proposed revised alignment is set out at **Appendix 2**.

5. Equality impact assessment (EIA)

An Equality Impact Assessment has been undertaken.

6. Monitoring Officer comments

The proposals set out in this report comply with the Council’s policy and procedure and is within the capacity of the Committee to endorse the recommendations set out above.

7. Head of Financial Services comments

The financial implications arising from this report were approved as part of the Annual Budget report to Council on 8th February 2011 and are therefore fully reflected within the current and future years’ budgets. As set out in the report, significant reductions in expenditure on senior management have been achieved over the last three years.

.....
Signed by:

Appendices:

Current and Revised Structure Charts

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

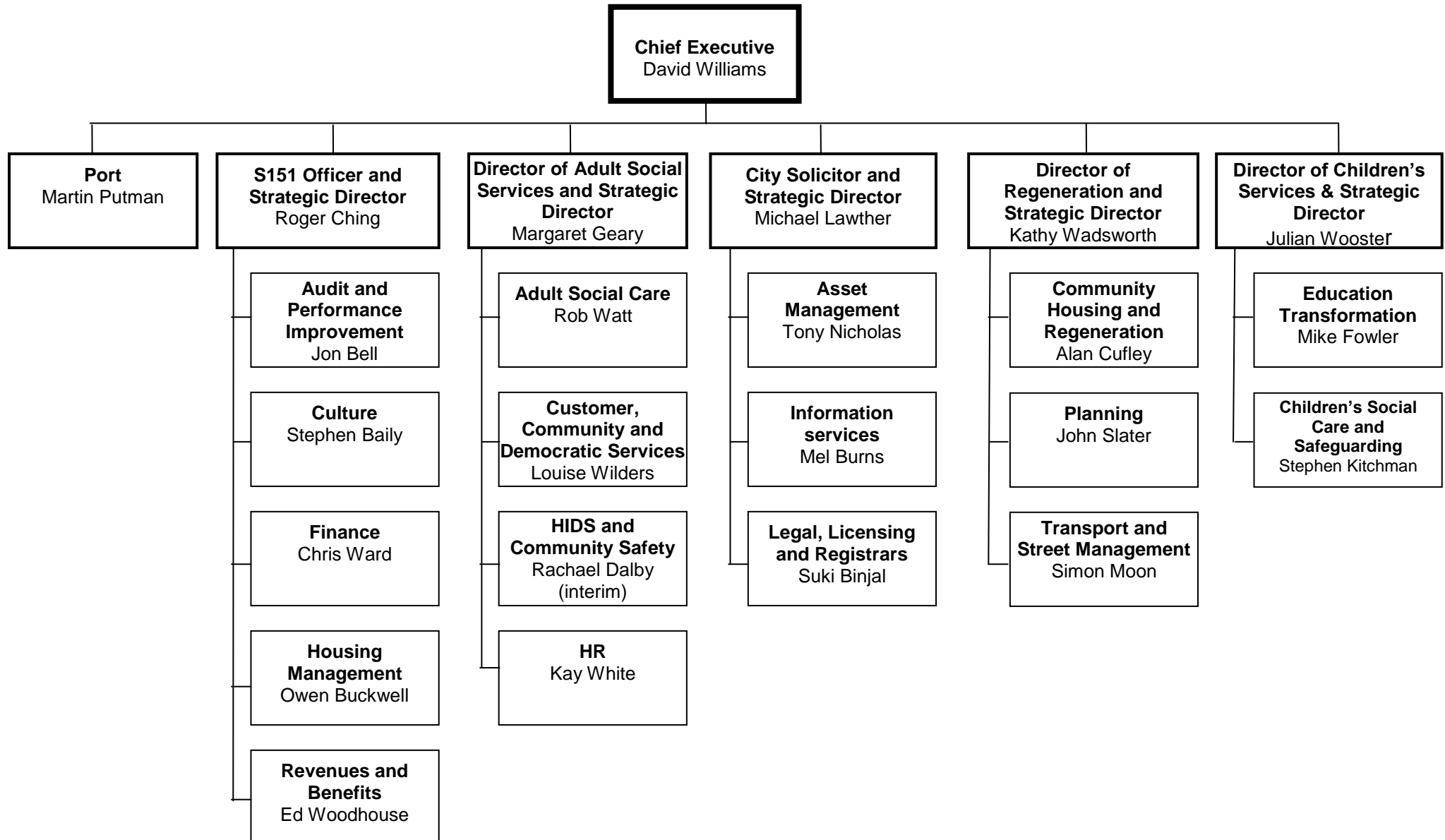
Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

Current Senior Management Structure

Appendix 1



Revised Senior Management Alignment

Appendix 2

