

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 19 July 2011	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Amendment to Strategic Management Arrangements	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Peter John, Leader of the Council	

## **FOREWORD - COUNCILLOR PETER JOHN, LEADER OF THE COUNCIL**

The way the council is managed at the very top is absolutely crucial for the effective delivery of vital services and of our vision of a fairer future for all. The cabinet has committed to cut £1 million from the cost of senior managers over the next two years and this report will help us to deliver on that commitment, diverting the money saved back to frontline services. In doing so, I believe that it will not just save the council money and start the process of saving even more, but that it will also lead to a more integrated and joined-up approach across departments.

The report will ensure that our vision for a dedicated housing department is fully realised by moving Community Housing Services under the Director of Housing Services. Again, this move will lead to closer working between officers and a more coherent council service. And finally, the recommendations contained in this report reflect the significant changes being made to the council's relationship with local health services as a result of the government's health reorganisation.

I am therefore asking the cabinet; after consideration of the officers' report set out from paragraph one onwards to approve the recommendations below.

## **RECOMMENDATIONS**

1. That the post of Strategic Director, Regeneration and Neighbourhoods, is deleted from the official establishment and the services transferred to Deputy Chief Executive with immediate effect (except as in recommendation 2). Any consequential structure changes will be approved under chief officer delegated authority after consultation with the appropriate cabinet member.
2. That Community Housing Services transfers to the Director of Housing Services including the Head of Service post (and post-holder), and that this is fully incorporated into the management structure for the Housing Services Department.
3. That as at 1 October 2012, the new arrangements be put in place for the management of adult social care, the Health and Wellbeing Board and Public Health.
4. That the Chief Executive takes an overview of senior manager structures including minor reallocations of functions between departments or chief officers in furtherance of Council aims laid out in the budget report approved in February 2011.

5. That final structures be approved under chief officer delegated authority after consultation with the Cabinet Members.

## **BACKGROUND INFORMATION**

6. The budget setting report was agreed by Council on 22 February 2011. This included a range of departmental proposals for efficiency savings for 2011/12 financial year, plus outline proposals for the 2 years thereafter.
7. Specifically it is envisaged that proposals be brought forward to save £1M over 2 years (2012/14) through review of departmental and corporate management structures. Additionally departmental efficiency savings targets incorporate similar savings targets although these will involve lower tiers also.

## **KEY ISSUES FOR CONSIDERATION**

8. The position of the Strategic Director of Health and Community Services was a joint post with the Chief Executive of Southwark PCT. This inextricable link has been removed due the changed relationship with the NHS and following the demise of Southwark PCT with the consequential cessation of joint responsibilities. In essence the Chief Executive post with the PCT has been deleted. There are similar impacts on some areas of operational management, commissioning, performance management etc where joint funding has been removed.
9. As a consequence the Chief Executive will review arrangements for adult social care and put in place new managerial arrangements and test these prior to October 2012. The period up to 1 October 2012 will allow proper planning and transition and maximize opportunities for efficient organization of common functions. The plan will ensure a senior chief officer remains responsible for the role into the future and that we will have in place by that date arrangements for the Health and Wellbeing Board and proposals in respect of Public Health.
10. Rationalising senior management structures is a key element to any efficiency programme, this will include reducing staff numbers and drawing functions together targeted to Council aims. This process needs to be dynamic and responsive to changing needs and circumstances and therefore structures and reporting lines need to be similarly fluid. The current financial climate provides an important backdrop where money is tight and protection of the front line is a key priority. Also an important element will be to describe posts in a way which reflects their responsibilities and authority; it is likely that nomenclature will be altered as a result.
11. There are a number of examples:
  - For Children's Services proposals are being consulted upon as a direct result of changes to Government approach and funding, as well as rationalization of the management structure to accommodate the needs of the service going forward. This will involve delayering and relabeling Heads of Service as Directors, eg for education.
  - Transfer of events function and film contract from Environment to DCE (Communications)
  - Centralisation of all procurement functions into Finance and Resources

- Centralisation of all Voluntary Sector awards and management of relationships with the sector into Community Law and Governance
- Transfer of some Transport Planning functions from DCE to Environment (Public Realm)
- Transfer of Organisational Development from Children's Services Department to the Deputy Chief Executive's Department

### **Policy implications**

12. Southwark's Constitution (Part 3c 4) includes amongst those matters reserved for Cabinet:

Decisions regarding the strategic management of the council including decisions on major reorganisations and major reallocations of functions between departments or chief officers

### **Community impact statement**

13. Of itself rationalisation of management structures should not impact on the community directly. What is important is that in implementing these changes front line services are protected whilst ensuring the necessary business of running the Council remains effective and efficient. Proposals are specifically geared to improvements in service delivery through better alignment of function whilst achieving necessary savings through efficiency in management and support functions.

### **Resource implications**

14. The posts of Strategic Director have been evaluated as grade 21 under the Council's grading scheme. Taking account of salary, other employment and running costs the total annual saving achieved by deletion of 1 post will be circ £210k, full year, and this has been incorporated in the budget schedules for 2011/14; making a significant contribution to the target reduction for management costs. Further management costs will be delivered as these changes reduce management posts.
15. The role of Strategic Director Regeneration and Neighbourhoods is currently vacant and therefore there are no HR implications arising from this recommendation, although changes to reporting lines and relative responsibilities will have to be implemented in accordance with Council policies. The role of Strategic Director Health & Community Services is funded by the Council on a part-time basis but the Health Service has continued to employ the Strategic Director on a part-time secondment.

### **Consultation**

16. The change of responsibility to the Deputy Chief Executive and Director of Housing Services has been discussed with the Trade Unions. The individual implications of each proposal will be discussed departmentally at DLCs in accordance with Council policy.
17. As the detail of the changes are planned and executed for Health and Community Services detailed consultation will take place in accordance with Council Policy.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

## APPENDICES

No.	Title
None	

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Peter John, Leader of the Council	
<b>Lead Officer</b>	Annie Shepperd, Chief Executive	
<b>Report Author</b>	Bernard Nawrat, Head of Human Resources	
<b>Version</b>	Final	
<b>Dated</b>	7 July 2011	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	No	No
Finance Director	No	No
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>		7 July 2011