

County Council

16 May 2016

Proposal for changes to Durham County Council's Service Groupings, and Restructure of the Corporate Management Team



Report of Terry Collins, Chief Executive Officer

Purpose of the Report

1. To propose a change to the existing Service Groupings within the Council, and seek approval to initiate a restructure exercise of the existing Corporate Management Team (CMT).
2. To seek approval to undertake a recruitment exercise through the Chief Officer Appointments Committee (COAC) to any vacant posts remaining following the restructure process.

Background

3. In August 2008 following a consultation exercise, a Service Grouping and CMT structure was agreed by the Council which identified five Corporate Director posts and an Assistant Chief Executive. The structure of CMT posts has remained relatively stable since that time, with the only changes being:
 - The merging of Children and Young People's Services with the Adult, Wellbeing and Health Service, creating the Children and Adults Service (CAS) in 2012
 - The addition of Public Health functions to the authority in 2013 with the requirement for the Council to have a Director of Public Health
 - The internal appointment of Terry Collins to the post of Chief Executive Officer with effect from 1 February 2016.
 - The post of Corporate Director Neighbourhood Services is filled on an interim basis.
4. The current Service Groupings are summarised below and a structure chart is shown at Appendix 2:
 - Terry Collins Chief Executive Officer
 - Lorraine O Donnell Assistant Chief Executive Officer
 - Don McLure Corporate Director Resources (retiring 31 May 2016)
 - Oliver Sherratt Interim Corporate Director Neighbourhood Services
 - Rachael Shimmin Corporate Director Children and Adults Services (leaving summer 2016)
 - Ian Thompson Corporate Director Regeneration and Economic Development.

Drivers for Change

5. There are a number of external drivers which will continue to exert pressure on the Council for the foreseeable future, for example the local government austerity measures have posed unprecedented financial and other challenges for the Chief Executive Officer (CEO) and Corporate Management Team (CMT) since the scope and scale of savings to be achieved were identified in 2010. The expectation is that this will continue until at least 2020/21.
6. A further important external driver for change is the national government agenda with regards to devolution. At the time of preparing this report the full impact is yet to be clear and is pending a Cabinet decision on 11 May 2016 and the NECA Leadership Board meeting on 17 May. However it is clear that the potential change in dynamics for the region will have a significant impact both financially and politically. The Council will need to work with the new regional arrangements whether it is included or not part of the new mayoral authority as this will have implications on our services.
7. Whilst the Council has achieved significant success the senior management team structure hasn't significantly changed since the new unitary arrangements commenced in January 2009, with the exception of the merging of Children's and Adult Services in 2012. This was initiated as a result of the intention of the Corporate Director of Children's Services to retire. In addition the Council incorporated Public Health Services in 2013 as a result of changes to the NHS more widely. It is therefore an opportune time to review and refresh what we do focusing on the delivery of our priorities and taking into consideration the financial resources that we will have available in the future.
8. CMT is at the forefront of leading and managing change, setting priorities and implementing the strategic vision in line with the Council's policies and priorities which ensures that the community of County Durham receive the best possible services. In addition members of CMT are responsible for leading and managing a complex variety of services, a number of which operate under statutory and regulatory frameworks. It is therefore vital that CMT continue to work collectively and corporately to deliver the strategic vision for the Council.
9. In light of the significant pressures and opportunities outlined above and having been in the post of Chief Executive since 1 February 2016, I have reflected on current and future challenges and developed proposals for shaping the new CMT and organisational structure to take the Council forward, in order to keep the Council at the forefront of providing the best possible services for the people we serve.
10. It is proposed that this review will start with the restructure and appointment of CMT. The revised CMT will then consider any further changes to the Head of Service structures and beyond.

Proposal for the new Service Groupings for the Council and Restructure of CMT

11. The proposed new Service Grouping arrangements and structure for CMT is outlined at Appendix 3 and is summarised below (Remuneration for Corporate Directors remains at the current salary level and the Director of Transformation and Partnership salary level is consistent with that of the current Assistant Chief Executive):
 - Chief Executive Officer
 - Corporate Director of Regeneration and Local Services
 - Corporate Director of Children and Young People's Services
 - Corporate Director of Adult and Health Services
 - Corporate Director of Resources
 - Director of Transformation and Partnerships.

12. Whilst the nature of Service Groupings and jobs are changed, this proposal in relation to the CMT is cost neutral to the Council with the splitting of the existing Corporate Director of Children and Adults Services into two posts and the merging of the Corporate Directors Regeneration and Economic Development and Neighbourhoods posts. The proposed realignment of services and the potential to unitise certain services currently provided across Service Groupings will present an opportunity for both enhanced service delivery and the achievement of significant budgetary savings.

The main features of the restructure proposal are as follows:

- (i) Realignment of the functions currently within Neighbourhood Service Grouping to other areas of the new structure and, as a result, the post of Corporate Director Neighbourhood Services would be deleted.

- (ii) The new post of Corporate Director of Regeneration and Local Services will retain the functionality of the current Regeneration and Economic Development Service. In addition, those functions currently aligned within Direct Services, Culture and Sport and Technical Services within Neighbourhoods, would be added to the remit to create this new Service Grouping. This would have the significant benefit of many of the place shaping services – planning, regeneration, highways, transport, leisure and local environment being co-ordinated under one Service Grouping.

- (iii) Whilst Culture and Sport functions will move into the new Regeneration and Local Services Grouping, it will be important to recognise the synergies between the work of the Director Public Health in relation to the sport agenda, and having regard to this important link, it is proposed to create a dotted reporting line from the Head of Culture and Sport Service into the Director of Public Health. The Director of Public Health post will include Environmental Health and Consumer Protection Services and has therefore been retitled to reflect this change. The new title is Director Public Health and Community Protection (the proposed remuneration for this post is consistent with the current salary level).

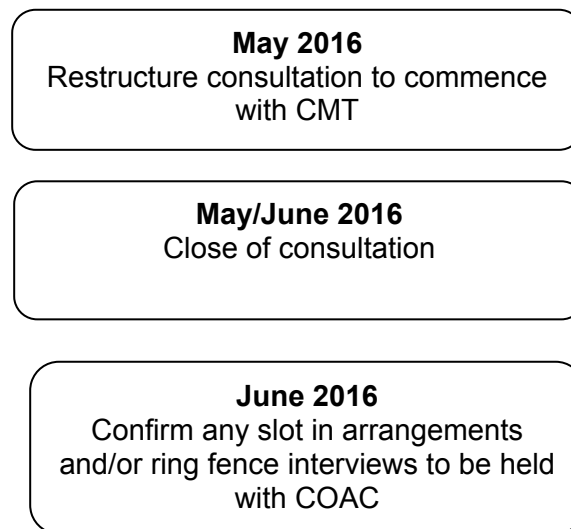
- (iv) The current configuration of CAS has been reviewed to recognise the scale, significant risk, complexity, statutory requirements and the different policy directions for children and adults services which are inherent across these services. The proposal therefore is to split the service into two with a Corporate Director Adult and Health Services and a Corporate Director Children and Young People's Services. Within the current functionality, the portfolio of Director of Public Health and Community Protection will report into the new post of Corporate Director Adult and Health Services. It is intended that there will still be a strong link between the two new service groupings although the new arrangements will strengthen and further improve delivery and performance.
- (v) The portfolio of the Corporate Director Resources post remains unchanged for the purpose of the ongoing recruitment exercise to fill this post. However the functionality associated with this post will be reviewed as part of the restructure exercise. In recognition of the need for clear financial management, the statutory requirement to have a suitably qualified Section 151 officer will be discharged by this Corporate Director.
- (vi) The post of Assistant Chief Executive will be removed from the structure however a new post of Director of Transformation and Partnerships will be created which will be responsible for leading a coordinated approach to the significant modernisation and change agenda facing the Council. In order to deliver this in a coordinated manner, the post holder will be responsible for strategic planning and will be required to work closely with all Corporate Directors and Heads of Service across the entire organisation. This work will include responsibility for the development and implementation of a digital policy, organisational development strategy and plans, production of a revised Durham Future Managers programme, delivery of modern ways of working, specific service reviews, a review and delivery of unitisation opportunities in addition to strategically leading our work on Office Accommodation Strategy, and taking a leading co-ordination role with external working and Council Partners and Community Engagement and working within the new regional arrangements. The current functionality of the Assistant Chief Executive Service Grouping would transfer to the Director of Transformation and Partnerships until a service and/or unitisation review is completed.

Next Steps

13. It is not envisaged that these proposals would create a redundancy situation, the expectation being that this could be completed as a 'restructure consultation exercise'. Should the recommendations from this report be agreed, a consultation exercise will commence as soon as possible with the affected members of CMT and Trade Unions.

14. To ensure business continuity, the COAC has approved internal interim appointments for the Corporate Director Resources and Director of Public Health positions, pending an external recruitment exercise.
15. Following consultation, if any of the posts within the CMT structure remain vacant then it is proposed that a report be prepared for the COAC which will recommend the filling of the post(s) by completing an external recruitment exercise together with any required interim arrangements.

Timeline for the Proposed Restructure



Recommendations

16. That the Council approve the proposed restructure for CMT in order for consultation to commence as soon as possible.
17. That the Council approve the revised portfolio for the Director of Public Health and that this role be retitled Director of Public Health and Community Protection.
18. That Council approve the proposal to undertake an external recruitment exercise through the COAC to any vacant posts remaining following the restructure activity.

Terry Collins
Chief Executive Officer

Appendix 1: Implications

Finance – The proposed CMT structure would be cost neutral by deleting the Assistant Chief Executive, Corporate Director Children and Adults Services and Corporate Director Neighbourhood Services posts and creating three new posts on salary levels consistent with current arrangements. It is anticipated that significant savings will be realised following a review of the remaining structure, which will be planned once the new Corporate Management Team is in place.

Staffing – As outlined in the report

Risk - none

Equality and Diversity / Public Sector Equality Duty - the proposed restructure process complies with Equalities legislation

Accommodation - none

Crime and Disorder - none

Human Rights - none

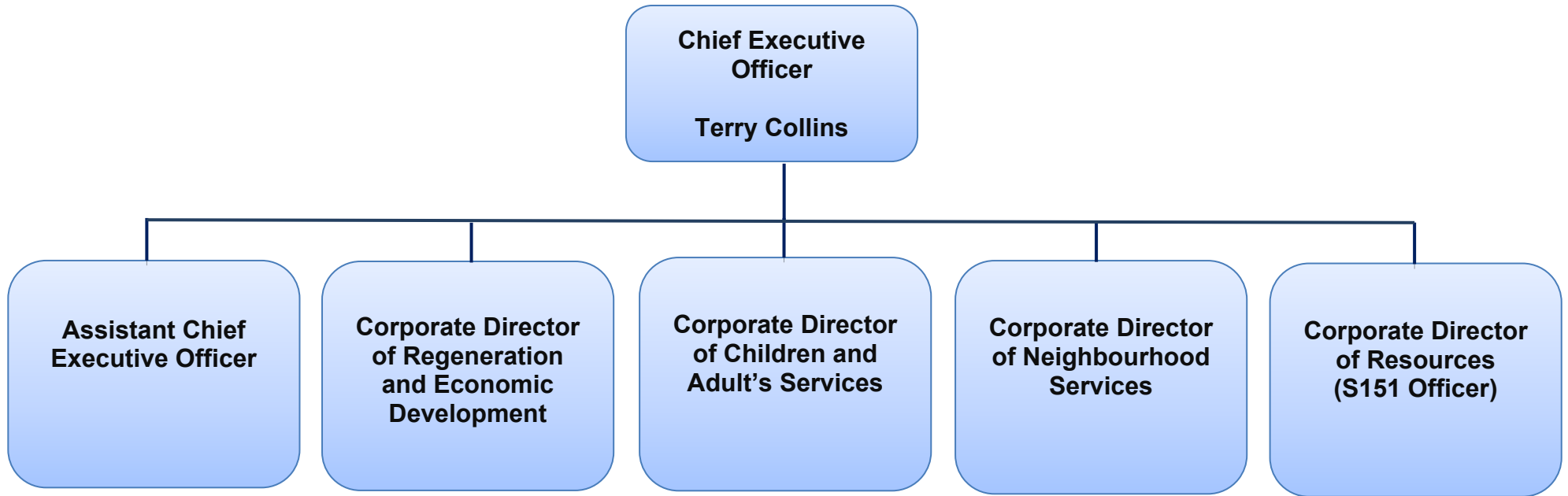
Consultation – A consultation exercise will be required with Trade Unions and those employees potentially affected

Procurement - none

Disability Issues - none

Legal Implications - none

Appendix 2 – Current Structure of CMT



Appendix 3 – Proposed Structure of CMT

