



Council

**Tuesday, 20 June
2017**

**Matter for
Information and
Decision**

Title: Organisational Structure Update

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1. Introduction

This report is to inform Members of the progress to date on finalising permanent arrangements for the senior organisational structure and delivery of services, as recommended by the Peer Challenge Review ("the Peer Challenge") and the Investors In People (IiP) report. The proposals will provide resilience for the challenges local government faces in future delivery of modernised services.

2. Recommendations

- 2.1. That Members note the proposed permanent arrangements for the senior organisational structure.
- 2.2. That Members approve the principle of a shared building control service with other Leicestershire Borough and Districts to deliver resilience.

3. Information

- 3.1. At management level, for various reasons throughout the past 2 years it has not been possible to establish permanency to some key senior positions. Whilst this has been a testing time, it has not prevented the organisation from continuing to deliver services on a day to day basis.

In addition services have been developed during this period with some major redesigns taking place such as transforming the whole of the customer services offer; transforming the leisure and health and well being service; complete refurbishments and energy efficient improvements to Council owned housing estates and new initiatives such as setting up a Local Housing Company to provide housing within the Borough.

- 3.2. The organisation is now in a position to recruit to those managerial posts which have been filled by either internal or external interim appointments. An advertisement for a permanent Director of Finance and Transformation was published last week with interviews scheduled for mid-July; these will be by a Member/officer panel. This post will be full time and will not only fulfil the statutory Chief Financial Officer post but will also take on the lead role in service redesign, better and wider use of ICT, asset management and procurement in order to drive down costs, improve productivity and ensure that services continue to meet the needs of residents.

In addition to the managers for finance, revenues and benefits and business transformation reporting to the Director so will the manager for planning, development and regeneration, as this links into transformation particularly from the regeneration and delivery of major capital projects and s106 Agreement funds. The addition of a full time permanent Director will help spread the responsibilities of the

Senior Management team (SMT).

- 3.3. The second tier management level is now also in a position to be made permanent. Over the past 2 years the service managers and those who have acted as interims for absent posts have worked well with SMT in a positive relationship to continue to deliver all services and deliver efficiencies, during a testing time.
- 3.4. The feedback from the Peer Challenge is that managers' feels developed through the organisation and are supportive of each other. SMT wish to acknowledge the additional responsibility these service managers have undertaken and the positive contribution they have made by formalising these service managers as the second tier management across the organisation. This will need to be reflected in appropriate management pay scales and job titles to assert their seniority. The costs can be met through existing budget savings. Where necessary permanent recruitment will now take place. The interim management of the community service will assist with the permanent recruitment to that post whilst continuing to provide support to major housing projects and particularly the setting up of a Local Housing Company for the remainder of this financial year.
- 3.5. Over the past 2 years, legal services have been provided by North West Leicestershire District Council as an interim measure, this relationship has worked well, however it is now considered it is in the interests of the organisation to bring the service back in house with the recruitment of a manager to oversee the provision of legal and associated services. This post will support and develop existing staff and support to the Monitoring Officer. The additional managerial post will also provide resilience across the overall management structure, by having 8 second tier managers.
- 3.6. The final service areas of these managers are in the process of being finalised, for example there has been some redesigning to support the transformation agenda and provide capacity for project work. A dedicated and focussed resource is being evolved and developed to continue the customer services digital transformation, managing the outsourced ICT partnership and providing project support across the organisation as well as identifying where expert external support to projects is needed to be built into project costs. The final service structures will be reported to a future Change Management Committee which oversees organisational change. Thereafter structure charts for each service area will be provided to all Members with key contact details included.
- 3.7. The above proposals have taken on board the recent Peer Challenge review recommendations that a fully functioning management structure will help spread responsibilities and the Council needs to increase investment in resources to achieve the modernisation agenda, particularly in terms of management capacity to deliver projects.
- 3.8. In terms of service delivery, the Council delivers services through a combination of arrangements which include direct, contracted, shared or delegated. In recent years there has been a number of services which it has tendered or contracted such as leisure, payroll, and very recently, cleaning services, all of which have/will provide significant savings. There are also a number of services which are provided through either shared arrangements or delegation and these include ICT, economic development and land charges. These arrangements are kept under review and as can be seen from above with legal services, where it is felt appropriate these will be brought back in-house.

- 3.9. At present, a shared or delegated building control service is being initialled explored as despite the dedicated staff, the service has a lack of resilience with no success in being able to recruit and is running at a significant loss. The external review of building control in 2014 recommended that alternative options to in-house provision be explored due to the lack of a critical mass, such alternatives included outsourcing to a private sector consultancy, reduce the service to a minimum statutory service or collaborate with other Local Authorities.

With the introduction of a private sector alternative to building control inspectors in recent years, this has provided a challenging market for building control services resulting in Local Authorities experiencing a significant reduction in market share and subsequently fee income. In recent months, discussions have taken place across Leicestershire on shared arrangements with one or more authorities and proposals are being worked up. It is considered that such an arrangement would provide resilience and a critical mass to be competitive with the private sector market.

- 3.10. In the past year there has been a significant recruitment drive to replace interim workers across the organisation with permanent staff. This has been very successful to date and there less than a handful of interim posts, which are either providing project support and whose duration has a timescale or they are short term posts to cover whilst recruitment takes place or for example maternity cover

Background Documents:-

None.

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Implications	
Financial (CR)	The cost of any restructure will be met from the current establishment budget plus efficiencies and savings which the new structure will bring.
Legal (AC)	No significant legal implications.
Risk (AC)	<i>CR8 - Organisational Transformational Change.</i>
Corporate Priorities (AC)	The organisational change will deliver effective service provision.
Vision and Values (AC)	The organisation change will enable the Council to further its values in relation to accountability, teamwork, innovation and customer focus.
Equalities (AC)	The Council is an 'Equal Opportunities' employer.
	Equality Assessment:-
	<input type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input checked="" type="checkbox"/> Not Applicable