

25 October 2012

Brighton & Hove City Council

Subject:	Senior Officer Structure		
Date of Meeting:	25th October 2012 6 th September 2012 – Policy & Resources Committee		
Report of:	Acting Chief Executive Designate		
Contact Officer:	Name:	Charlotte Thomas Abraham Ghebre-Ghiorghis	Tel: 29-1290 29-1500
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

1.1 As a result of the imminent departure of the council's Chief Executive and three Strategic Directors, appropriate arrangements need to be put in place to ensure that the council's business can be conducted effectively. Only Policy & Resources Committee has the powers to change officer delegations and this report seeks permission to reallocate certain powers as a result of the required structural changes. The Council has included in its General Fund Budget for 2012/13 additional savings from Management & Administration with an expectation that these are delivered from senior management costs. This report ensures that the target for the current financial year can be met through a series of permanent changes to the officer structure. The structure set out here is by necessity a transitional one, combining some interim and some permanent changes in order to balance the need for organisational stability and clarity with the desire to ensure that a permanent Chief Executive retains appropriate flexibility to shape the organisation as he or she sees fit.

2. RECOMMENDATIONS:

2.1 It is recommended that Members

- (i) Note the departure of the Chief Executive and 3 Strategic Directors in the coming weeks and the appointment of Catherine Vaughan as Acting Chief Executive with effect from 10th September 2012.
- (ii) Note the need to make changes to the officer structure and agree the general approach set out in the report, which seeks to balance the need for making the necessary changes now, with the need not to unduly fetter the discretion of the incoming permanent Chief Executive.
- (iii) Subject to paragraph iv below, agree the proposed changes set out in Appendix 1 to this report and the changes to the scheme of delegations set out in Appendix 2 to this report.

- (iv) Agree, in principle, the proposed changes set out in Appendices 1 and 2 as they relate to the 5 proposed service areas under the Strategic Director Place (Housing; Transport; Planning and Public Protection; City Clean and City Parks; Economic Development, Regeneration, Major Projects and Sustainability) and authorise the Acting Chief Executive to implement the proposals, subject to any modifications as she considers necessary, following the completion of the consultation process.
- (v) Agree the transitional arrangements regarding financial management, performance monitoring and budgetary process set out in the financial implications paragraph of the report.
- (vi) Authorise the Acting Chief Executive to take all steps necessary or incidental to the implementation of the proposals set out in this report, including the power to make any transitional arrangements she considers necessary.
- (vii) Authorise the Monitoring Officer to make amendments to the relevant parts of the constitution to reflect the changes resulting from the foregoing paragraphs and make any necessary consequential amendments.
- (viii) Agree that the changes come into force on 10th September 2012, subject to any transitional arrangements and modifications referred to in paragraphs (v) and (vi) above and subject to paragraph (ix) below.
- (ix) To the extent that any proposals involve changes to functions currently carried out by the Strategic Director People, they shall not come into effect until the new Interim Director of Children's Services takes office and any changes relating to the proposed Place functions shall come into force on the 1st October or after completion of the consultation process, whichever is later.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 During September and October the Chief Executive and the Strategic Directors for Communities, Resources and People will be leaving the Council. The appointment of an Acting Chief Executive has already been made by Full Council and the Director of Finance; Catherine Vaughan will assume this responsibility from 10th September 2012. This report is designed to ensure that appropriate arrangements are in place from that date to enable the council's business to be managed effectively with clear officer delegations and lines of accountability.

3.2 The proposals have been drawn up taking into account the following issues:

- organisational context
- the impact of national policy and funding changes
- the financial savings that have been set by Council for Management and Administration in 2012/13

The organisational context

3.3 The council's Corporate Plan sets out a clear commitment to commissioning, value for money and improving the customer experience. The council has had success in all of these areas over the last few years. Partners across the city have particularly welcomed the emphasis that commissioning has brought to understanding needs, focussing on outcomes and working jointly both internally across council services and sectors. The proposals contained in this report build on the well-established joint commissioning work, particularly across social care and health and aim to strengthen it further in some areas, for example through work to support Families in Multiple Deprivation.

3.4 However it is clear that in some areas the internal structural split between commissioning and delivery units has added a layer of complexity to the council's business and lines of communication have not always been as strong as they could be. The Chief Executive has already made some changes to line management arrangements to reflect this, building on some of the valuable feedback gained through the People Strategy. The proposals here take this further, particularly but not exclusively for services in the "Place" area.

National policy and funding changes

3.5 From 1 April 2013, responsibility for Public Health will transfer to local government. There is now an opportunity to build on the excellent joint working already in place by further integrating Public Health into the organisation and to make best use of the capacity, skills and experience that they are bringing to the council. There are also fundamental changes to local government finance on their way. The introduction of a local council tax support system to replace council tax benefits and the move to a business rates retention model have seen close working between Finance and Revenues & Benefits over recent months.

3.6 The business rates retention model brings both threats and opportunities to the city and, with long term funding reductions from central government for local authorities; the council will be increasingly reliant on growing our own resource base to support our priorities. This will mean delivering new housing to grow council tax revenues and to meet our strategic housing needs. The council will also need to support the development of new business in the city to provide additional business rates revenue and provide much needed jobs in the area. The limited availability of national funding for infrastructure means the council will have to be increasingly innovative to bring forward major schemes in the city. This all has significant implications for organisational priorities and it also provides opportunities to make the One Planet Living framework a key part securing sustainable growth for the city.

Financial savings

- 3.7 The budget for 2012/13 includes £450,000 management and administration savings in addition to those in the VFM programme for 2011/12. There is a clear expectation that most of this is achieved from the senior structure of the organisation and that it includes the removal of one Strategic Director post. These proposals have been developed on the basis that both the existing Strategic Director Resources and Strategic Director Communities posts are deleted from the organisational structure. However funding for a new Strategic Director, or appropriate alternative, will be retained in the budget to be used as the permanent Chief Executive sees fit. In the short term the post of Strategic Director People will not be filled but it will remain part of the council's permanent establishment at this stage. An interim Director of Children's Services will be appointed to provide sufficient capacity to ensure that the council's vital Safeguarding responsibilities are fulfilled and the other functions of the Strategic Director People will be transferred where appropriate to the Director of Adult Social Care or the Director of Public Health.

4. THE PROPOSALS

- 4.1 An outline of the proposed changes is attached as Appendix 1 to this report. Also attached, in Appendix 2 are proposed amendments to the scheme of delegations to officers which are necessary to give legal effect to the proposed changes.
- 4.2 It is proposed for most of the new arrangements to come into effect on 10th September to coincide with the departure of the Chief Executive and two Strategic Directors. The proposals relating to the Place function will require further consultation and it is proposed to bring these into force on 1st October or at the conclusion of the next phase of consultation which is required for these changes.
- 4.3 It is not proposed to remove the post of SD People permanently and the post, with related delegated functions, will remain in position until the permanent Chief Executive decides on future arrangements. There will be holding arrangements, including the appointment of an Interim Director of Children's Services, but these will not require changes to the scheme of delegations.

5. COMMUNITY ENGAGEMENT AND CONSULTATION

- 5.1 The changes have been subject to consultation with affected staff and the feedback received has been incorporated into these proposals. In general staff welcomed the speed with which proposals were set out, although there was a range of views about the balance between permanent and interim arrangements. Some amendments have been made as a result of this, accelerating change in some areas and taking it more slowly in others. Further consultation is still required for the changes proposed in the Place area and this report requests flexibility to implement those changes following the end of that process.
- 5.2 The Trades Unions have been consulted and as a result of their feedback the consultation period was extended, which has had an impact on the timetable for despatch of this report.

- 5.3 A formal response to the consultation document has been issued to affected staff and the Trades Unions.

6. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 6.1 The General Fund Budget for 2012/13 included a full-year additional savings target of £450,000 from Management & Administration. These proposals have been developed to the extent that the part-year target (£275,000) can be met in 2012/13. Savings are expected to be approximately £295,000 and will therefore substantially contribute to the full-year target applicable from 2013/14 onward, however, the remaining savings (£155,000) and other organisational changes will be for the consideration of the incoming permanent Chief Executive as explained in the report.
- 6.2 The Council will continue to monitor and report on its budgets for 2012/13 according to the previous structures in order to ensure clarity during this transition period. This approach has been successfully adopted in previous structural changes that have taken place mid-year. The current Head of Financial Services and Deputy Chief Finance Officer (S151), Nigel Manvell, will act into the role of Director of Finance to provide the authority with an appropriately qualified and experienced Section 151 Chief Finance Officer. This person will also sit on the council's senior management team (SLT) to ensure compliance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) "Statement on the Role of the Chief Financial Officer in Local Government" (2010). A qualified and experienced Deputy Chief Finance Officer (S151) will also be selected from within the Finance Unit of the council.

Finance Officer Consulted: Nigel Manvell

Date: 30/08/2012

Legal Implications:

- 6.3 The proposed changes require amendments to the scheme of delegations to officers. Under the Council's constitution, this is delegated to the Policy & Resources Committee. Subject to the agreement of P&R, detailed amendments need to be made to the council's constitution to reflect the principles set out in this report.
- 6.4 In accordance with employment law and the Council's change management policies, there is a requirement to consult the staff affected before any changes are implemented. This has been carried out and any responses taken into account.
- 6.5 The proposals in this report comply with legal requirements. There are no adverse Human Rights Implications arising from the report.

Lawyer Consulted: Abraham Ghebre-Ghiorghis

Date: 29/08/2012

Equalities Implications:

- 6.6 The proposals affect a small number of staff and a high level equalities impact assessment has been undertaken to ensure that no group with protected characteristics has been disproportionately affected. Because of the small numbers of individuals involved a breakdown of the staff profile is not included in this report as it is likely to lead to particular individuals being identifiable. There are no compulsory redundancies as a result of these changes and no permanent changes to pay or terms and conditions are anticipated. There is no impact on service delivery to the public which is normally the key consideration in assessing equalities implications.
- 6.7 The proposals make changes to the reporting lines for the Communities & Equalities team and reduce some senior management capacity. In the interim period additional project management resource will be provided to ensure that key projects continue.

Sustainability Implications:

- 6.8 The proposals transfer the council's Sustainability team from the Policy Unit into the Place area. This is to ensure that the focus of the work is of integration of the council's well-developed policy into key projects, particularly in respect of the city's built environment and infrastructure.

Crime & Disorder Implications:

- 6.9 The proposals include changes to the delegations for Community Safety Commissioning.

Risk and Opportunity Management Implications:

- 6.10 The proposals are designed to ensure clear accountability and line management arrangements and therefore ensure effective risk management. Finance and Performance will continue to be monitored on the existing structures for the remainder of 2012/13 to ensure continuity.

Public Health Implications:

- 6.11 The proposals are designed to ensure that public health is a core part of the council's business, well connected into other council services.

Corporate / Citywide Implications:

- 6.12 The proposals are designed to ensure that the council is able to prioritise the delivery of its Corporate Plan.

7. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 7.1 A move to more permanent structural changes has been considered and discounted in order to provide appropriate flexibility to the permanent Chief Executive. Proposing only interim arrangements has been considered and discounted in order to provide stability where possible and deliver the agreed Management & Administration savings for 2012/13.

8. REASONS FOR REPORT RECOMMENDATIONS

- 8.1 To ensure clear delegations to officers as a result of required structural changes to the organisation.

SUPPORTING DOCUMENTATION

Appendices:

1. Detail of Proposals
2. Proposed Changes to the Scheme of Delegations to Officers

Detail of the Proposals

Acting Director of Finance (change effective from 10th September)

Nigel Manvell will act into the role of Director of Finance and Section 151 Officer which must be filled by a qualified accountant. Nigel is currently the Council's Deputy Chief Finance Officer (Deputy Section 151 Officer), a post which the council is required to have by statute. Nigel will also be Acting Chief Finance Officer for the South Downs National Park Authority. The Acting Director of Finance will be part of the Strategic Leadership Team (SLT).

Applications will be invited from within Finance to be Deputy Chief Finance Officer and any other required backfill arrangements.

Strategic Director – Resources (changes effective from 10th September)

It is proposed that the post of Strategic Director – Resources will be removed from the structure and permanent changes to the reporting lines made as follows:

- Heads of Policy and Performance, Communications and Legal and Democratic Services to the Chief Executive,
- Head of Sustainability to the Place area as set out below

It is also proposed that lead responsibility on SLT for civil contingencies will transfer permanently to the Director of Public Health but that the staff involved in delivery will remain within Planning and Public Protection.

In the short term, there will be a temporary holding position in relation to Policy and Performance, Communications and Legal and Democratic Services. One of those Heads of Service to take a lead role in line management, links to SLT and liaison with members.

It is proposed that as a temporary holding position the remaining Resources units will report to members of SLT as follows:

- Head of ICT to Acting Director of Finance
- Head of City Services to Acting Director of Finance
- Head of HR and OD to Director of Adult Social Services
- Head of Property & Design to Strategic Director - Place

Strategic Director – Communities (changes effective from 10th September)

It is proposed that the post of Strategic Director – Communities will be removed from the structure and the permanent changes to reporting lines made as follows:

- the post of Commissioner, Communities & Equalities be deleted from the structure and the team reports to the Head of Policy (the post-holder is fully aware of this proposal)

- the Commissioner for Community Safety to the Director of Public Health (staff involved in delivery will remain within Planning and Public Protection)

There will be a temporary holding position in relation to the Head of Tourism & Leisure and Commissioner for Culture and Commissioner for Sports and Leisure. One of those officers will take a lead role in line management, links to SLT and liaison with members.

Strategic Director - People (changes effective from 1 November subject to confirmation)

In order to provide stability and capacity in this critical service area particularly in relation to Safeguarding responsibilities an experienced interim Director of Children's Services will be brought in, this post will report to the Chief Executive. The scope of the permanent role has not been determined at this stage and the Strategic Director People post remains part of the permanent establishment.

It is proposed that the Lead Commissioner, Children, Youth and Families post be deleted from the structure. Many of the responsibilities within that role will transfer to the new Lead Commissioner, Families in Multiple Deprivation (funded by government grant for three years) and this post will report to the interim Director of Children's Services. The Head of Children and Families and Lead Commissioner - Schools, Skills & Learning will continue to report to the interim Director of Children's Services

During the interim period the Director of Adult Social Services and the Director of Public Health will report to the Chief Executive.

Place (changes effective from 1 October – subject to consultation)

It is proposed that the existing 5 posts reporting to the Strategic Director – Place set out below will be deleted from the structure.

- Lead Commissioner Housing
- Head of Housing and Social Inclusion
- Lead Commissioner - City Regulation & Infrastructure
- Head of Planning & Public Protection
- Head of City Infrastructure

They will be replaced by 5 posts covering the following areas:

- Housing
- Transport
- Planning and public protection
- City Clean and City Parks
- Economic development, Regeneration, Major Projects and Sustainability

A detailed consultation process is required in this area due to changes to the scope and nature of some roles.

PROPOSED CHANGES TO THE SCHEME OF DELEGATIONS TO OFFICERS

General Principles:

- a. Each Strategic Director, Director or, as the case may be, Interim Lead (collectively referred here as “Directors” for ease of reference) will have full delegated powers to exercise the functions described under the proposed arrangements below.
- b. Where Heads of a Delivery Units or Head of a combined delivery and commissioning units (referred to here collectively as “ Service Heads”) are referred to in the proposed delegations below, they will have **concurrent** delegations with the relevant Director.
- c. In exercising their concurrent delegated powers, Service Heads will be required to act in accordance with any instructions or guidance issued from time to time by the Director.
- d. The relevant Director may suspend the exercise of any function by the Head of Service.
- e. The exercise of any function by a Director or Heads of Service shall be in accordance with any instructions issued by the Chief Executive and in accordance with the outcome and other requirements stipulated as part of commissioning providing that non- compliance with commissioning requirement shall not, in itself, invalidate a decision taken under delegated powers.
- f. References in the definition section of the scheme of delegations to Chief Officers and Membership of the Strategic Leadership Broad shall be modified to reflect the principles in the covering report (including the addition of the Director of Public Health) and any arrangements the Acting Chief Executive may adopt.

Function	Current Delegations	Proposed delegations
1. City Services	a. SD Resources (except for libraries) b. SD Communities - Libraries c. Head of City Services (for delivery of all City Services)	a. Director of Finance b. Head of City Services regarding delivery
2. Policy, Performance and Analysis	SD Resources	Interim Lead for Policy, Comms and Legal & Democratic Services (PCL)
3. Corporate Communication	SD Resources	Interim Lead for PCL
4. Legal & Democratic Services	a. Head of Legal & Democratic Services (for functions that have to be discharged by the Head of Law and Monitoring Officer) b. Other functions, SD Resources	Head of Legal & Democratic Services (for Monitoring Officer and Head of Law functions) Others Interim Lead for PCL
5. Sustainability	SD Resources	SD Place
6. Civil Contingencies	a. SD Resources b. Head of Planning and Public Protection for delivery	a. Director of Public Health b. Head of Planning and Public Protection for delivery
7. ICT	SD Resources	Director of Finance
8. HR and Organisational Development	SD Resources	Director of Adult Social Services (DASS)
9. Property & Design	SD Resources	SD Place Head of Property and Design
10. Communities & Equalities	SD Communities	Interim Lead PCL (to be managed as part of the Policy Function.)
11. Community Safety and Drug Action	a. SD Communities b. Head of Planning and Public Protection (for delivery)	a. Director of Public Health b. Head of Planning & Public Protection (for delivery)

Function	Current Delegations	Proposed delegations
12. Culture, Tourism, Arts & Creative Services, Management of establishments, venues, archives, seafront and events.	<ul style="list-style-type: none"> a. SD Communities b. Head of Delivery Tourism and Leisure regarding delivery of services 	<p>Interim Lead for Culture, Tourism and Leisure</p> <p>NB: depending on who is appointed, there may be a need for concurrent powers for the delivery Head or for the commissioning lead</p>
13. Housing	<ul style="list-style-type: none"> a. SD Place b. Head of Housing Management and Inclusion (for delivery of housing management) 	<p>SD Place</p> <p>Head of Housing</p>
14. Highways and Transport	<ul style="list-style-type: none"> a. SD Place b. Head of City Infrastructure regarding delivery 	<p>SD Place</p> <p>Head of Transport</p>
15. Planning and Public Protection (other than Civil Contingencies and community safety)	<p>SD Place</p> <p>Head of Planning and Public Protection for delivery</p>	<p>As before</p>
16. City Clean and City Parks (functions comprised in the delegations to the Head of City Infrastructure excepting highways and transport)	<p>SD Place</p> <p>Head of City Infrastructure regarding delivery</p>	<p>As before.</p>
17. Economic Development and Regeneration	<p>SD Place</p>	<ul style="list-style-type: none"> a. SD Place b. Head of Economic Development, Regeneration, Major Projects & Sustainability