

DECISION-MAKER:	CHIEF OFFICER EMPLOYMENT PANEL
SUBJECT:	PROPOSED SENIOR MANAGEMENT RESTRUCTURE
DATE OF DECISION:	2 MARCH 2011
REPORT OF:	CHIEF EXECUTIVE
STATEMENT OF CONFIDENTIALITY	
None	

BRIEF SUMMARY

This report sets out the proposed organisational and senior management restructure of Southampton City Council, particularly with reference to Chief Officers, to enable the Panel to consider the proposals of the Chief Executive, as Head of Paid Service, and authorise him to take the necessary steps in order to implement his proposed restructure.

RECOMMENDATIONS:

- (i) To endorse and approve the organisational and senior management restructure proposals set out in this report;
- (ii) To note that in the event of there needing to be a selection process for any of the new Director (i.e. Chief Officer) posts, the Panel will be called upon to undertake the selection panel activity; and
- (iii) To delegate authority to the Chief Executive to implement the revised structure and to take any further action necessary to give effect to the contents of this report.

REASONS FOR REPORT RECOMMENDATIONS

1. In the context of the current challenging financial position being faced by the Council and the fundamental changes being made to the public sector, including its strategic partners, the Chief Executive has come to the conclusion that radical organisational change is essential to enable the Council to substantially reshape the way it does its business. As an integral part of this change, the Chief Executive proposes an organisational and management restructure of the Council, resulting in a reduction in the number of senior managers.

DETAIL (Including consultation carried out)

2. The Chief Executive's outline proposals for restructuring the organisation will, in broad terms, provide three public facing directorates supported by a corporate centre as follows:
 - Environment Directorate
 - Families and Communities Directorate
 - Economic Development Directorate
 - Corporate Centre (Finance and Corporate Services)
 - Corporate Centre (Legal and Corporate Services)

An outline organisation of key services provided in *appendix 1* showing proposed grouping of organisational functions and accountabilities within the new Directorates. Not every service is listed and the detailed organisational structure will be subject to ongoing consultation on the management restructure.

3. As this first phase of the new structure proposes fewer directorates than within the current structure, a consequence of these proposed changes will be a realignment of responsibilities across senior management posts and a reduction of two posts at Executive Director level.
4. The full restructure will also take the opportunity to simplify and rationalise designation of management posts through replacing existing job titles with the new nomenclature of Directors, Senior Managers and Managers as appropriate.
5. In terms of the Council's processes and procedures, the Officer Employment Procedure Rules embody certain legal requirements which are particularly appropriate in terms of the selection process. Under paragraph 12 of those rules, where the Council proposes to appoint a Chief Officer and it is not proposed that the appointment be made exclusively from amongst the existing officers, the Council has to take certain steps, including the drawing up of a statement of the duties of the officers and a person specification.
6. The Council's Employment Stability Policy is also relevant. Employees are normally selected for posts in revised structures in accordance with the Council's Good Recruitment Practice principles, on merit and against consistent and fair criteria. Where a job ceases to exist as a result of reorganisation but a similar job is created utilising the same or virtually the same skills, a "natural successor" situation may arise. The criteria are contained in the Policy.
7. A person will be considered a natural successor where there is a substantial match between their substantive existing job and the new job. Posts must be looked at in the round. There is no precise mathematical calculation to determine whether or not a post is a natural successor or a new post. If a change merely involves taking on more of the same work that a post holder could reasonably expect it to do, then the post may not be new.
8. All posts within the proposed structure at Director level have been assessed on this basis. This assessment has established that the Solicitor to the Council post remains broadly unchanged (natural successor) within the new Board of Directors. The other posts within the new Board of Directors are deemed to be new posts and therefore no natural successors are identified.
9. As such, the Chief Executive considers that it would be appropriate when seeking to fill the new posts created by the reorganisation, in accordance with usual practice, to ring-fence those posts to the relevant employees being reorganised or to them plus others likely to have the appropriate skills or competencies to fill the posts in question.

10. It is, therefore, proposed that:
- i) The existing Executive Directors of: Adult Health and Social Care; Children's Services; Environment; Neighbourhoods; Corporate Policy and Economic Development, will be ring-fenced for selection to the new posts of:
 - Director of Environment
 - Director of Families and Communities
 - Director of Economic DevelopmentAll ring-fenced employees will be able to apply for any of the above new posts within the new Board of Directors.
 - ii) The existing post of Executive Director of Resources has been covered on an interim basis since the resignation of the previous substantive post holder in July 2010. The new post of Chief Financial Officer will therefore be advertised to all existing Level 1 Managers as there are no existing substantive post holders at Director level with the necessary skills, qualification and experience for this role.
 - iii) In the event that the selection process is unsuccessful, the Chief Executive will seek to fill vacant post(s) through external recruitment.
11. Applicants for all posts will be required to submit 'Expression of Interest' form(s) identifying the post(s) that they wish to be considered for within the new structure, reflecting details of leadership skills and outlining proposals for taking the new Directorate forward and implementing the change programme. Job descriptions and person specifications have been drawn up for all posts within the new Board of Directors.
12. The selection process for the new Board of Directors will be carried out by the Chief Officers Employment Panel. The selection process will require delivery of a formal presentation followed by a structured interview.
13. In accordance with the Officer Employment Procedure Rules all successful appointments will be subject to approval by the Executive. Appointments will commence on 4 April 2011.
14. If an affected employee is unsuccessful in their application for a post in the new structure, then redundancy (and access to pension where appropriate) will apply. During the notice period, alternative redeployment opportunities will be considered in accordance with the Council's Employment Stability Guidelines. Any employee under notice of redundancy will be entitled to take a reasonable amount of paid time off to look for a new job, or make arrangements for training for future employment. Redundancy pay arrangements will be in accordance with the Discretionary Severance Policy applicable at the time of the redundancy.

15. In preparing the report, early discussions have taken place between the Chief Executive and all affected employees. The Chief Executive wrote to all affected employees as well as all staff and trade unions on 19th January 2011 as part of a pre-consultation exercise, outlining his intentions. The statutory thirty days formal consultation process for this first phase of the organisational and management restructure commenced on 8th February 2011 providing a proposed timetable for the consultation and selection process (appendix 2).

RESOURCE IMPLICATIONS

Capital/Revenue

16. The proposed structure will generate estimated full year revenue savings of £338,000.

Property/Other

17. The proposed staffing structure can be accommodated within existing Civic buildings.

LEGAL IMPLICATIONS

Statutory Power to undertake the proposals in the report:

18. The legal powers to implement the proposals are contained within Section 112 Local Government Act 1972 (Appointment of Staff) and Section 111 Local Government Act 1972 (Incidental Powers of Local Authorities).

Other Legal Implications:

19. Any legal issues surrounding the future implementation of the proposals will be dealt with in accordance with the Council's Constitution, specifically (though not exclusively) the Officer Employment Procedure Rules and the Officer Scheme of Delegation.

POLICY FRAMEWORK IMPLICATIONS

20. None.

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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Outline organisation of key services
2.	Consultation and selection timetable for Board of Directors posts

Documents In Members' Rooms

1.	None
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Integrated Impact Assessment

Do the implications/subject/recommendations in the report require an Integrated Impact Assessment to be carried out.	No
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Other Background Documents

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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