

Report of the Head of HR & OD

Corporate Management Team (CMT) Restructure

Summary

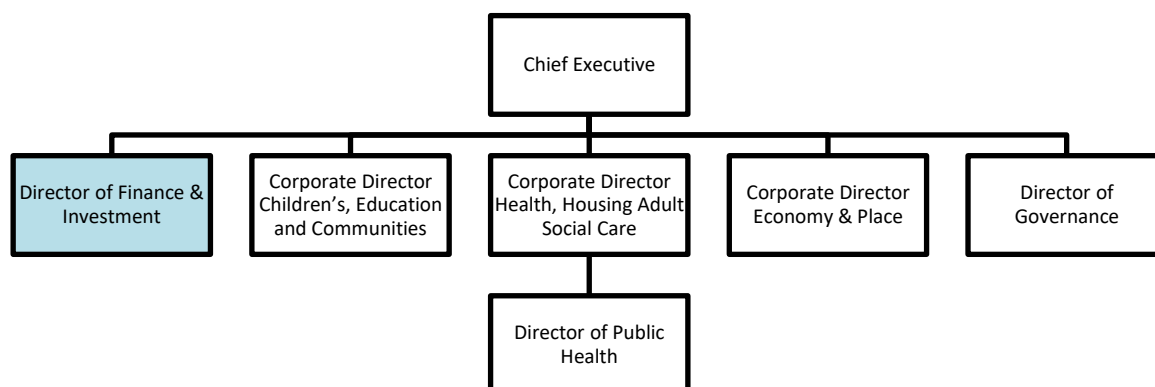
1. This report provides Staffing Matters & Urgency Committee (SMU) with early options for a revised Corporate Management Team (CMT), which will ensure efficiencies are made as agreed in SMU committee in February 2020.
2. Efficiency savings of at least £81k per annum are to be made from the senior management structures.
3. This paper is the first stage of a consultation process, with a paper returning to SMU in May 2020.
4. This paper also recommends that the current interim arrangements for the Head of Paid Service and Section 151 continue.

Background

5. It was proposed and agreed by SMU committee on 17 February 2020, to receive a report in March 2020, to consider efficiency savings across the Corporate Management Team.
6. In that meeting on 17 February 2020, SMU were asked to consider an early retirement request from a member of CMT. This was considered and agreed by committee (in line with Council's policies and procedures, constitution, HR and legal advice). This was a decision made that then allowed officers to progress with HR and legal processes.
7. Those processes have now concluded and the member of staff leaves CYC on 16 March 2020.

Current Structure

8. The current structure is shown below, this was agreed in SMU and was shown at Full Council in December 2018. However it should be noted that this is only part implemented and £26k of the agreed savings are still to be achieved.
9. At that point, it was agreed that the full structure would not be implemented until the Director of Governance was recruited and in post. The Director of Governance commenced on 16 December 2019. However at that time, due to the long term absence of the Chief Executive, an interim arrangement to cover for the Chief Executive was considered and agreed at SMU in August 2019, and subsequently reviewed in October 2019 and January 2020.
10. The part of the structure that has not been implemented is the Director of Finance & Investment. The post holder who assimilated to the Director of Finance and Investment position is currently the Interim Head of Paid Service, as agreed through SMU.
11. The current structure as detailed below costs £989k per annum including on costs with an FTE of 7.



Options

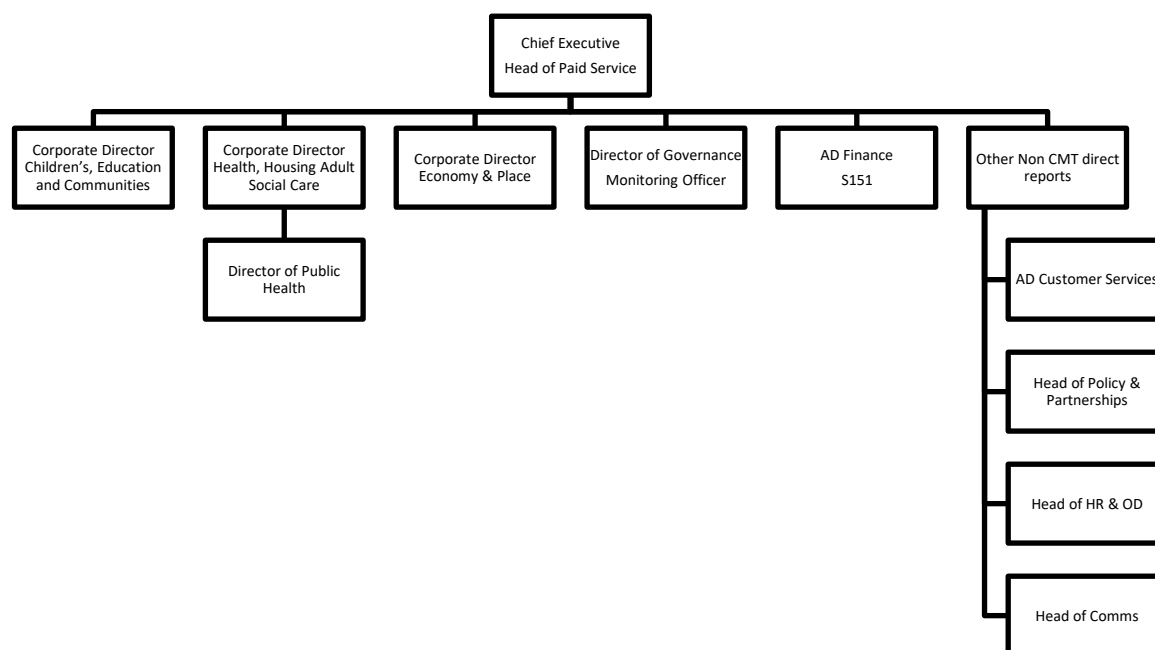
Proposed Structures

12. The administration has asked for consideration of potential efficiency savings to be made across the existing CMT structure.

13. The committee needs to be mindful of the efficiency saving that is required, which is a minimum £81k per annum. (Due to the decision made for early retirement on grounds of efficiency made in February 2020 SMU and to achieve the remaining savings from the earlier restructure agreed in December 2018).
14. The proposed structures illustrated are to enable the committee to see the structure of CMT on paper and to start to consider the deletion of a post across the CMT structure. During consultation it is expected that further structures may be identified for consideration, however without the detail gained through consultation and as this is an early informative paper further structures cannot be illustrated at this time.
15. These structures have been proposed as a first step for SMU to consider, however as these roles are key to the successful operation and delivery of the Council Plan and services to York residents, it is recommended that consultation is carried out in more detail with staff directly affected (across CMT, chief officers and heads of service), the trade unions, all political parties and key stakeholders.
16. It is intended that, in line with Council procedures, the intelligence gathered from the consultation throughout March and April is brought back to the SMU committee for consideration in May 2020, before progressing with a preferred structure.
17. Across all the structures proposed it is recommended that the Deputy responsibilities to the Chief Executive / Chief Operating role will be rotated around the Corporate Directors within CMT, holding the nominal title for up to 12 months. There will be no additional remuneration for this responsibility and is on top of their Corporate Director role. It should be noted that the statutory responsibility of Head of Paid Service will sit with the Chief Executive/Chief Operating Officer role in all of the proposals.
18. For information the Chief Officer Pay structure is shown below:

Job Titles	Level	Salary April 19	Job Titles	Level	Salary April 19
Chief Executive	7	£153,891	Directors	4	£97,149
	6	£149,911		3	£93,864
	5	£147,921		2	£90,690
	4	£145,931		1	£87,623
	3	£143,940			
	2	£141,951			
	1	£137,971			
Corporate Directors	4	£109,068	Assistant Directors	4	£79,459
	3	£105,570		3	£76,592
	2	£102,204		2	£74,060
	1	£98,940		1	£71,521

Proposed Structure A



19. This structure retains the Chief Executive post however there would need to be a refocus of attention in the role as it would also need to be responsible for the services provided under the current customer and corporate service directorate, such as Finance, Customer, ICT etc.

20. The Director of Finance and Investment post would be deleted, and section 151 duties will be carried out by a newly created Assistant Director of Finance post. This is a growth post but a proposed amalgamation of one of the Heads of Service in Finance. In addition, an allowance of £10k has been made to facilitate a restructure within finance and procurement to ensure sufficient management capacity across the service.
21. The proposed cost of this structure is £903k therefore an annual efficiency saving of £86k including on costs.

Proposed Structure B



22. This option deletes the Chief Executive and Director of Finance & Investment post and puts in place a Chief Operating Officer.
23. It is proposed that the Chief Operating Officer will work with the Corporate Directors to assure and drive forward robust service improvement programmes that deliver long-lasting change. The COO will be responsible for corporate services and has a strengthened internal focus.

24. In addition section 151 duties will be carried out by a newly created Assistant Director of Finance post. This is a growth post but a proposed amalgamation of one of the Heads of Service in Finance. In addition, an allowance of £10k has been made to facilitate a restructure within finance and procurement to ensure sufficient management capacity across the service.
25. The proposed cost of this structure is £903k therefore an annual efficiency saving of £86k including on costs.
26. It is proposed that the Chief Operating Officer salary band will mirror the first 4 incremental points of the Chief Executive role and hence be capped at the half way point, but still subject to cost of living rises as negotiated nationally. This will lead to additional future savings due to a reduction in the pay spine.

Further Structures

27. Through the detailed consultation that will take place across March and April, further options on the structure of CMT may be identified, in which a post across the CMT structure is deleted to ensure the efficiency savings of £81k per annum are met.

Budget

28. Finance have considered the proposed structures and have confirmed the figures within the paper.
29. Efficiency savings of £81k per annum is required through any proposed structure.

Consultation

30. Until detailed consultation has been carried out, a preferred structure cannot be formally consulted upon. Once a preferred structure is identified and the impact on individuals is known then the normal consultation processes, in line with Council policies, employment legislation and HR practice will be followed.
31. It is therefore recommended that detailed consultation takes place in March and April with staff directly affected (across CMT, chief officers and heads of service), the trade unions, all political parties and key stakeholders.

32. It is recommended that the Head of HR & OD leads this consultation.
33. CMT, Heads of Finance and Trade unions are aware of this paper and the need to consider a structure but understand that it is at an early/formative stage and that the consultation will form the proposed future structure.
34. The Council will also seek support from the LGA Workforce Development Team as part of the consultation. They will provide support to carry out a skills analysis on any proposed structure so that SMU have all the relevant information required upon which to make a decision.

Council Plan

35. Restructuring will contribute to delivering the Council Plan and its priorities, enabling the Council to remain proactive and fit for purpose for the future.

Implications

Financial

36. Efficiency savings of at least £81k per annum is required.

Human Resources (HR)

37. There are a number of HR implications. The Council's transformation policy must be adhered to during the process to ensure fair and equitable treatment of all staff affected.

Equalities

38. There are no equalities implications at this time, however, the Council needs to have due regards to the public sector equality duty, which will be kept under review.

Legal

39. The Council must ensure that its employment policies and procedures are followed so as to avoid any future legal challenge.

Crime and Disorder, Information Technology and Property

40. There are no identified implications.

Risk Management

41. This is a key area of the Council and integrated into the members, along with active public involvement. There will be public interest and we have to ensure the confidentiality of staff involved in the restructure is maintained even to the pressure of outside parties.

Recommendations

42. SMU are recommended:

- i) To consider initial proposals to restructure the corporate management team, to ensure efficiency savings can be realised;
- ii) To agree to further consultation to be carried out with staff directly affected by the proposals, trade unions, political groups and other key stakeholders;
- iii) To agree that the consultation is led by the Head of HR & OD due to the roles involved;
- iv) To agree to receive the consultation feedback and a proposed structure to SMU in May 2020;
- v) To note that when a proposed structure has been identified and agreed within SMU then formal consultation with staff affected will be carried out in line with HR practices and procedures; and
- vi) That during the consultation period the interim arrangements that are currently in place to cover for the Chief Executive and Head of Paid Service are extended. The report received by SMU in January 2020 approving these arrangements is included for reference at Annex A.

Reason: To allow efficiencies to be made across the CMT structure.

Author:

Trudy Forster
Head of HR
Human Resources
Ext 01904 553984

Report X **Date** 13/03/2020
Approved

Specialist Implications Officer(s):

Wards Affected: All X

For further information please contact the author of the report

Background Papers: None

Annexes:

Annex A – SMU paper 20 January 2020

Abbreviations

CMT – Corporate Management Team

COO - Chief Operating Officer

CYC- City of York Council

FTE - Full time equivalent

HR - Human Resources

LGA – Local Government Association

OD – Organisational Development

SMU – Staffing Matters and Urgency Committee