

**CITY AND COUNTY OF CARDIFF
DINAS A SIR CAERDYDD**

Employment Conditions Committee: 17 October 2005

Report of Assistant Chief Executive

REVIEW OF CHIEF OFFICER ARRANGEMENTS

Background

1. This report outlines proposals to reshape the Chief Officer tier of the Council to achieve efficiency savings and to align Chief Officers with the priorities for the Council so that there is a clearer line of sight between the work they do and the outcomes identified in the Corporate Plan.

Issues

2. We have recently reshaped the top team of Corporate Directors to give them a clearer focus on the key priorities of the Council. This has reduced the number of Corporate Directors and streamlined work, taking major projects off-line and allowing other Directors to focus on service delivery.
3. We now have an opportunity to carry out a similar exercise at Chief Officer level and reduce the number of Chief Officers. The objective would be to have Chief Officers with responsibility for delivering one of the key priorities of the Council, working across traditional Chief Officer boundaries. This would not only improve corporate working, but would contribute efficiency savings to channel into frontline services. In addition, it is necessary to reorganise Chief Officer portfolios to restore balance, as large projects such as St. David's II, Sports Village, Transportation Partnership and Waste Management Strategy are moved from portfolio areas into the new Programme Management Functions.

Proposals

4. The proposals would be to:
 - keep some of the existing statutory and core central services including HR, Finance, Legal and ICT;
 - expand the role of the Chief Scrutiny Officer so that it provides a challenge, change and efficiency function across the Council;
 - create a Programme Management Chief Officer post to assist in the delivery of major infrastructure projects and embed a project management culture across the Council;
 - have seven Chief Officer posts responsible for service delivery. Each one would be given responsibility for a key outcome for Cardiff, for example creating a bright, safe City. The benefit of doing this is, although the Chief Officers will oversee particular service areas, their responsibility will be to

deliver specific outcomes that will give the Council more demonstrable results and will encourage cross-boundary working.

5. The proposed structure is set out as Appendix 1 and an outline of the services included within each area is included at Appendix II. The proposals would reduce the number of Chief Officers from 16 to 13.
6. We would hope to manage the transition smoothly, by using the Council's voluntary severance package. At present one Chief Officer has expressed an interest in leaving and one post is vacant. It is possible that, once proposals are clear, others may express an interest. In addition we have, as far as possible, kept Operational Manager portfolios as they are now to minimise change below Chief Officer level.
7. Initial consultation with Chief Officers has been reasonably positive, although understandably some have concerns about their own positions. We would hope to manage the exercise over a period of time to minimise the impact on staff.
8. It would be possible to start the process quickly, by reorganising functions to create the new Programme Management post, reconfiguring services to create a bright, safer city Chief Officer post - which will encompass housing, neighbourhood renewal and community safety - and by assigning regulatory functions to combine them with partner service areas.
9. Other changes will take place over a longer period, but hopefully can be achieved by April 2006, depending on expressions of interest for voluntary severance. A plan and timeline for the transition is attached at Appendix III.

Investment for Reform/Benefit to Service User

10. The restructuring proposals once implemented will enhance corporate working and contribute efficiency savings that can be channelled into front line services, thus improving service delivery. The approximate efficiency savings will be £265,000 per annum. However, there may be some up-front expenditure if people opt to take voluntary severance.

Council Policies Supported

11. The proposals outlined will establish a clearer line of sight between Chief Officer roles and the outcomes identified in the Corporate Plan.

Advice

12. This report has been prepared in consultation with relevant Corporate Managers and reflects their advice. It contains all the information necessary to allow Members to arrive at a reasonable view, taking into account the following advice.

Legal Implications

13. The most likely legal implications are related to the employment sphere, in particular the effect of the proposals on the employment contracts of individuals. Until precise proposals in relation to each individual become clear, it is not possible to say what the implications might be.

Financial Implications

14. The proposals outlined in this report will have the effect of reducing the number of chief officer posts and will enable efficiency savings in the region of £265,000 per annum to be achieved. The transition towards the revised structures will begin in the current financial year and it is hoped that the full structure will be in place by April 2006. The efficiency savings will be taken into account in the 2006/07 budget process after allowing for any costs arising from the process.

Human Resource Implications

15. The particular restructuring proposals continue the process that began in March 2005 of reducing the costs of senior management within the Council. As paragraph 6 makes clear, the implementation of the new arrangements is somewhat dependent upon a number of Chief Officers applying to leave the employ of the Council on the grounds of voluntary severance.
16. Chief Officers and Operational Managers have been consulted on these proposals. All affected staff, particularly in service areas restructured as recently as April of this year, must be kept fully informed and involved as the restructuring proposals unfold, in order to maintain good employee relations, staff morale and to ensure that there is a seamless transition in terms of service delivery.
17. Hay will need to be commissioned to re-evaluate the salary position of any Chief Officer whose portfolio is changed as a result of these proposals. It is also important to ensure that the size of the Chief Officer portfolios are appropriate and balanced. It is anticipated that the eventual structure based on outcomes will be more meaningful to and be better understood by the citizens of Cardiff. The themed approach to these restructuring proposals are in line with other public sector organisations.

Trade Union Comments

18. The Trade Unions expressed great concern on the proposed restructuring. They consider that constant restructurings were highly demotivating for staff and confusing for the public. In their view, a period of consolidation was now required rather than more change. They felt that the proposals were based around potential Chief Officer Voluntary Severance applications rather than needs of service users. Concern was expressed at the size of certain new portfolios. Particular reference was made to the proposed Transport, Infrastructure and Waste portfolio that they considered to be too large. If approved, this new portfolio would combine the role of 2 existing Chief Officers, one of which (Chief Waste Management Officer) was specifically created by the previous administration to address the significant challenges of the waste management agenda.

RECOMMENDATION

19. It is recommended that the proposals outlined in the report to reshape the Chief Officers' Team be approved.

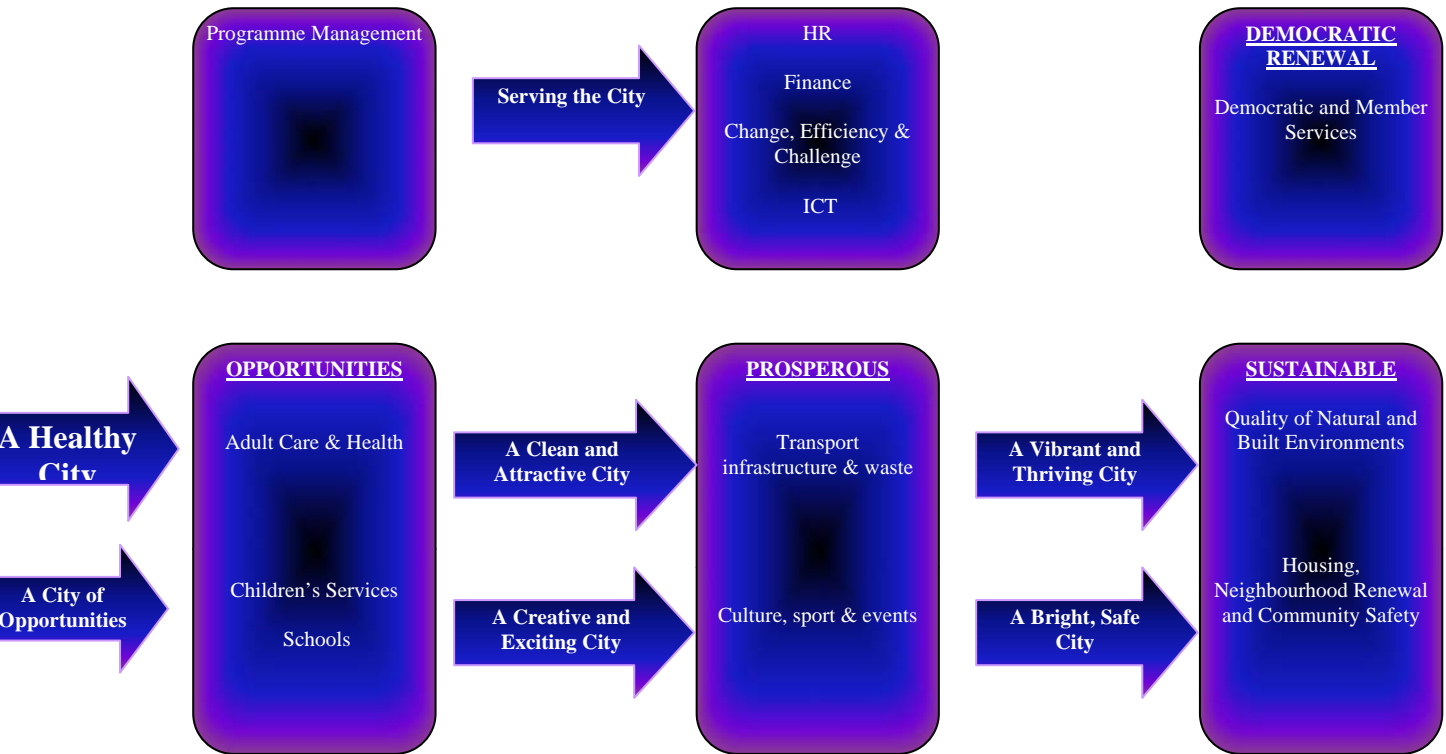
JO FARRAR
ASSISTANT CHIEF EXECUTIVE
13 September 2005

The following Appendices are attached

- Appendix I Proposed Structure
- Appendix II Outline of Services within the Structure
- Appendix III Transition Plan

The following Background Papers have been taken into account:

Report to ECC 23 March 2005 – Review of Senior Management Arrangements



Achievable Changes By 1 April 2006

- A Healthy City –** **Adult Care and Health**
Including Supporting People
- A City of Opportunities -** **Childrens’ Services**
- **Schools and Lifelong Learning**
- A Clean and Attractive City -** **Transport, Infrastructure and Waste**
Sustainable Waste
Collection Services
Cleaner Cardiff
Transport Policy and Development
Public Transport
Highway and Street Operations
Telematics
Traffic Management
Landfill Site and Regional Working
- A Creative and Exciting City -** **Culture, Sport and Events**
Arts Management
Events Management
Venue Management
Olympic Games
Leisure Facilities
Libraries
Parks and Bereavement
- A Vibrant and Thriving City -** **Natural and Built Environment**
Strategic Planning
Environmental Planning
Development and Buildings
County Analysts
Pollution Control
Emergency Planning
Regulatory Services
Open Space Planning
- A Bright, Safe City** - **Housing, Neighbourhood Renewal
and Community Safety**
Communities First
Housing Management
Private Sector Housing
Neighbourhood Renewal
Community Safety
Public/Consumer Protection
Disabled Grants
Advice and Benefits
- Democratic Renewal** - **Legal Services**

- Serving the City**
 - **Change, Challenge and Efficiency**
Scrutiny
Cardiff Improvement Centre
Change Programme
Efficiency Programme
 - **People**
 - **ICT and C2C**
 - **Resources**
Revenue Services
Procurement and Supplies
Accountancy Services
Accounts Payable and Receivable
Internal Audit
Pensions
Payroll
Strategic Estates
Valuation
- Major Projects/
Successful Delivery**
 - St David's II
Sports Village
Cardiff 2005
Schools
Waste
Transportation Partnership
Centre of Excellence

TRANSITION PLAN

Develop Proposals and Evaluate Job Weights	August to October 2005
Consult Chief Officers	September to October
Consult Executive	September to October
Proposals to ECC	October
Communicate Decision	October
Receive Expressions of Interest	October-December
First Stage Changes	January 2006
Communicate Changes	January
Managed Exercise to Implement Remaining Changes	January to April

Senior Management Grades

APPENDIX 2

01-Apr-05

Corporate Directors

92856
100494
105780
111072
116358

Chief Officers

68577
76602
84624

OM1

1st point	48612
2nd point	51312
Spot Salary	54012
Assessment	56712
Assessment	59412

OM2

1st point	39783
Spot Salary	41877
Assessment	43971
Assessment	46062

OM3

Spot Salary	35802
Assessment	37593
Assessment	39384