

Meeting:	Cabinet
Date:	15 th February 2007
Subject:	Organisational Review
Responsible Officer:	No
Contact Officer:	Andrew Trehern, Acting Chief Executive
Portfolio Holder:	Leader of Council
Urgent:	Yes
Exempt:	No
Enclosures:	Appendix 1 - Current Organisation Structure Appendix 2 - Proposed Senior Officer Structure Appendix 3 - Indicative functions within each Corporate Directorate

Section 1: Summary

This report proposes a revised organisational structure for the Council ensuring that the resultant structure is fit for purpose, contributes to the Council's savings plan and enables the Council to achieve its long term strategic vision.

The revised structure is a critical part of the major management structure savings that the Council needs to make. The Cabinet decisions on this will need to be implemented immediately, otherwise there will be a significant impact on the delivery of the Council's Medium Term Budget Strategy.

Recommendations:

- 1.0 That the senior structure set out in appendix 2 be agreed.
- 2.0 That Cabinet delegate authority to the Leader to consider and if appropriate approve the tier 3 structure recommended by the incoming Chief Executive.

REASON: In order to ensure that the Council's organisational structure is fit for purpose, contributes to the Council's savings plan and enables the Council to achieve its long term strategic vision.

Section 2: Report

2.1 Brief History

Cabinet at its meeting on 16th July 2002 agreed the current structure of the organisation. That paper argued that Harrow required a structure where service delivery to the customers was paramount, with new service groups based around an executive management model and each directorate having a strategic function, responsibility to deliver services to a geographic area and a professional core.

This original model was adapted as the needs of the organisation changed, ie, the legislative requirement for statutory directors of Children's & Adult Services and the merger in 2005 of the Business Connections & Organisational Development Directorates. The current structure of the organisation is set out in Appendix 1.

On 20th April 2004 Cabinet agreed a review of the Middle Management Structure of the organisation. This became known as MMR (Middle Management Review). This created two tiers below Director level - those of Group Manager and Service Manager. It also created the role of 'Senior Professionals' which were to be specialist or technical posts rather than managerial ones.

As a result of both of these initiatives, the current Senior Structure is as follows :-

Chief Officers

Chief Executive
Executive Directors x 3
Directors x 12

Cabinet at its meeting on 14th December 2006 agreed the draft medium term Budget Strategy for 2007-08 to 2009-10 and detailed the work of the 5 Strategic Projects that had been undertaken during the summer.

The December report identified that the reviews had identified 5 distinct business areas for the council going forward :-

- Strategic Core – Financial Strategy, Policy and Performance, Partnerships, HR, Communications and Legal
- Back Office and Transactional Services – Administration, Information Processing, Benefits
- Schools
- Social Care for Adults and Children
- Environment and Community Services, Including Community Safety, Transport, Parks, Culture, Sport & Recreation

This report puts shape to those findings.

2.2 Proposed Organisational Structure

In determining a revised Organisational Structure for the council that will achieve the savings required in the council's three year MTBS, the following factors have been considered :-

- A senior team that is fit for purpose
- Ensuring the senior team has the capacity and capability to lead the organisation
- Ensuring the senior team has a genuine strategic role that shapes, together with the administration, the development of the organisation in the medium to long term
- The minimum of management layers
- Ensure better coordination of services to eliminate silos.
- Ensure that services are located within the organisation to maximise value for money and an enhanced customer experience
- Deliver the savings required in the MTBS

The proposed structure comprises 5 corporate directorates of :-

- Community and Environmental Services
- Adult and Housing Services
- Children's Services
- Finance
- Strategy and Business Support

In addition, it is proposed that the Council's Monitoring Officer is designated a Chief Officer, reflecting the fact that this is a statutory role that requires the postholder to have an authoritative position within the senior management structure. The precise title of this post is to be determined.

Officers will develop more detailed structures below Corporate Director level that will determine the grading and titles of the next tiers of managers.

Appendix 2 – shows the proposed new senior structure of the Council. The grading of the tier 3 structure is subject to further development by the new Chief Executive in consultation with the Leader. An indicative set of functions for each tier 3 post is attached as Appendix 3. These will be further developed by officers.

The proposed structure takes account of :-

- The legislative requirement for the statutory officer posts of Director of Children's Services and Director of Adult Services to be part of the council's Corporate Management Team and report directly to the Chief Executive
- The need to ensure better coordination, better service delivery of property and space planning
- The need to reduce 'layers' of management

- The need for closer links between Access Harrow and 'back office' services
- The need to create service groupings understandable to service users
- The need over the next three years to focus on sound and effective financial management and planning
- The need to continue to drive change and improvement through staff and member development and performance management
- The need to deliver the fundamental service review programme set out in paragraph 62 of the 14th December Cabinet Report

The last three areas will be the focus of the Finance and Strategy and Business Support Directorates and it is suggested that the need for the two separate directorates be reviewed at the end of a three year period.

To deliver the level of savings required and to achieve the objectives set out above, an organisation structure review process has been established. The scope of this project has included :-

- The whole organisation
- Departmental function, purpose and shape
- Value for money of services
- The need for service improvement
- The achievement of the council's long term vision

2.3 Consultation

There has been consultation with Chief Officers on the revised senior structure of the organisation and all Chief Officers have been written to on 8 February 2007 and asked to offer any views and representations, which will be reported verbally to Cabinet.

It is proposed that there will be detailed consultation with Middle Managers, Staff and Trade Unions to develop the detailed organisational structure.

The implementation of the revised structure will be by means of the protocol for organisational change, and the protocol includes the formal consultative processes to be followed, the application and selection process, redeployment and the arrangements for redundancies.

The Chief Officer Employment Panel will be consulted on the processes and be responsible for all appointments to Chief Officer posts in the proposed structure.

Given the scale of change, redundancies will result.

2.4 Lessons from MMR

Lessons learned from the way in which MMR was handled will be incorporated into the implementation of this organisational review, including a report from Overview and Scrutiny.

Section 5: Background Papers

Report of Chief Executive to Cabinet 16 July 2002

Report of Chief Executive to Cabinet 20 April 2004

If appropriate, does the report include the following considerations :-

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| 1. | Consultation | Yes |
| 2. | Corporate Priorities | Yes |
| 3. | Manifesto Pledge No. | D3 |