

REPORT TO:	GENERAL PURPOSES & AUDIT COMMITTEE 25 March 2015
AGENDA ITEM:	7
SUBJECT:	Council-Wide Restructure of First Tier Officers
LEAD OFFICER:	Nathan Elvery, Chief Executive
CABINET MEMBER:	N/A
WARDS:	ALL
CORPORATE PRIORITY/POLICY CONTEXT:	
The reshaping of the first tier group of officers of the Council will strengthen the Council's ability to achieve improvements in the targeted outcomes for our residents. This is the first phase of a Council-wide restructure.	
AMBITIOUS FOR CROYDON & WHY ARE WE DOING THIS:	
The way the Council is structured is fundamental to the successful delivery and achievement of the objectives of the Administration.	
FINANCIAL IMPACT:	
The restructuring of the first tier group of officers will save £500,000 and forms part of the 2015/16 budget as approved by Council on the 23 February 2015.	
KEY DECISION REFERENCE NO.:	

1. RECOMMENDATIONS

The Committee is recommended to

- 1.1 To note the report of the Chief Executive on the restructure of the Council and the savings made for the 2015/16 budget.

2. EXECUTIVE SUMMARY

- 2.1 This report is provided to update the Committee on the restructure of the Council to achieve the outcome ambitions for the residents of our borough, a single and collective focus on improving the lives of our residents for the better.

3. CONTEXT AND BACKGROUND

Overview

- 3.1 The Council is facing the most significant of all challenges, our resources are reducing whilst at the same time the demands for our services are increasing and the divisions within our communities are becoming ever more unequitable. The leadership of the organisation, at both a strategic political and officer level, have made a conscious and informed decision to embark on a programme of radical and ambitious transformation. A strategic decision has been made to not manage the decline but to take charge of our destiny and reshape our organisation within the resource envelope that we have available to improve outcomes for the residents of this borough. This approach is underpinned by the Croydon Challenge 'Transformation Programme' much of which has already been considered in detail by the Cabinet, Scrutiny & Overview and has been approved by the Council in the budget for 2015/16 on the 23rd February 2015.

Financial Context

- 3.2 The financial challenge for this organisation is well documented and understood, for the period 2015/16 to 2017/18 there is a budgetary gap between forecast expenditure requirements and income of £100m. This financial gap will not be closed by traditional thinking, silo working and a year by year approach to the challenge. It requires a medium term strategy, a council-wide focus and a whole systems approach to address the challenge. The restructuring of the Council is no different; we have embarked on this as a single organisation and as one team.
- 3.3 Given the financial context in which local government and thus this Council exist we have had no choice other than to change; and significant progress has being made to close this gap through our identified Transformational Programme.

Croydon Challenge 'Transformational Programme'

- 3.4 The Extended Leadership Team (Chief Executive, Executive Directors and Directors) has been working on a council-wide basis on behalf of the Administration to identify opportunities to improve outcomes for the residents of our borough and in doing so has established the Croydon Challenge Transformation Programme to deliver the political priorities of the Administration as set out in the 'Ambitious for Croydon' manifesto and to shape not only the corporate focus of the Council but also determine and drive the required structural shape of the organisation.
- 3.5 The Transformation Programme has shaped the structure of the Council in two clear ways. Firstly, the programme itself has identified the changes required to improve key outcomes and the service models/business models which will enable these outcomes to be achieved. These models have influenced the structure of the Council. Secondly, the structure of the

organisation has been remodelled to successfully deliver the transformation 'ideas' which have been created and ensure the structure of the Council is robust both in terms of the resource envelope available and key outcomes which have been prioritised.

- 3.6 Three departments have been created - the Place Department, the People Department and the Resources Department; and the effective date for the full implementation of the first tier within all Departments is 1st April 2015.

Enabling and Front Line Resource Ratio

- 3.7 The leadership of the organisation has agreed that we need to rebalance the resources of our organisation to ensure that more of our resource supports the delivery of front line services¹; and that over time we reduce the cost of the enabling services² which support the front line. At present the ratio of enabling to front line within the organisation is 60:40. Over the period 2015/18 it is intended to rebalance our resources to reflect the outcome priorities for our residents and therefore to aim to achieve a 40:60 ratio. The proposals impacting the first tier across the whole Council now seek to support this realignment of our resources to achieve this aim.

Resident Outcomes

- 3.8 It is important that Croydon thrives as a 'place' and for the 'people' of Croydon, wherever they are on their life path, to have healthy and active lives living in homes that are safe, in communities which are supporting and working for employers that are prospering.
- 3.9 Through the Croydon Challenge Transformational Programme and the political priorities contained in the 'Ambitious for Croydon' manifesto there has been a need to move from a traditional and hierarchical organisational model based on the way services are organised to a more radical organisational model based on outcomes for the residents of our borough. Supporting these defined outcomes there are three core strategies Growth, Independence and Liveability. There is a shared focus on changing the place of Croydon, influencing and supporting the needs of the people of Croydon and ensuring an efficient and effective Council organisation to deliver the outcomes prioritised which is clear and decisive in its strategic direction.
- 3.10 **Appendix A** sets out the key outcomes for our organisation and how this aligns to the organisation model being implemented.

Vision for the Three Departments

- 3.11 The vision for the **Place Department** is to create a place where people want to be. It focuses on the provision of: investment, decent homes, regeneration (including through parks, leisure, schools delivery), large-scale housing

¹ Front line service – a service where the relationship between our residents and the service can be measured as a direct contact, influence or support.

² Enabling service – a service where the relationship exists between the front line service and service.??

repairs and planned maintenance. It focuses on the 'space' in which our residents live, our businesses trade and ensures the environment is clean and safe. The functions within the Place Department therefore are those that best sit together to ensure that together we achieve this for our residents and businesses. Underpinning the rationale for the creation of the Place Department was a focus on both:

- **Technical specialisms** in: Safety, Streets, Development, Planning and Strategic Transport, Regeneration and Housing
- **Area-based specialisms** ensuring: delivery of the Place Plans and the 5-year integrated delivery plan within the Metropolitan Centre which will contribute to the delivery of the 'Growth Promise' for the borough.

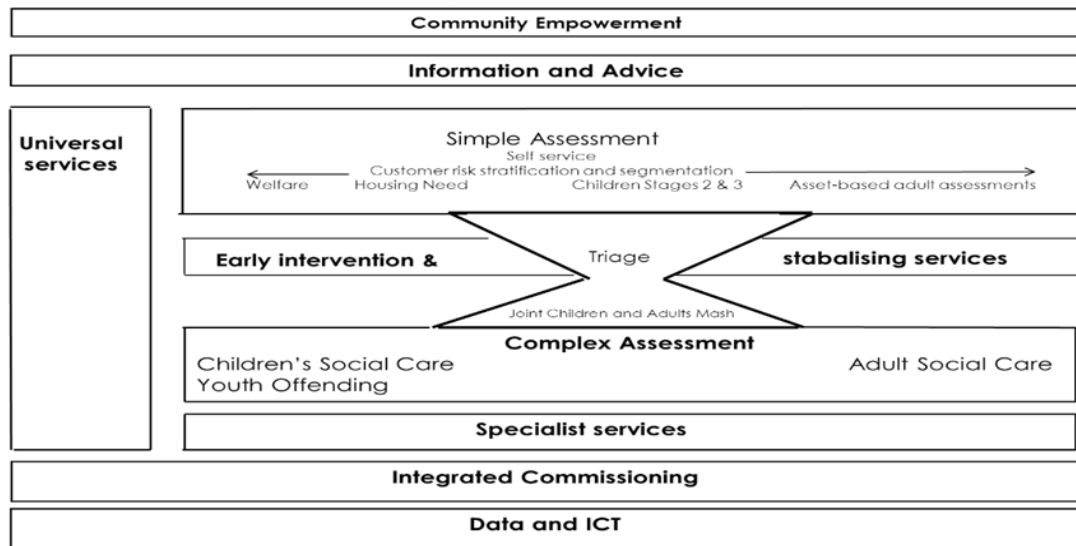
3.12 The **People Department** will harness the benefits of digital and enabled solutions and provide expert support to residents, via a new Gateway service located within the People Department, and following initial assessment of this need via the contact centre within the Resources Department. This expert support may be people-based, or place-based and will focus on supporting residents to achieve financial independence for themselves and their families.

3.13 Being ambitious for the people of Croydon, the vision for the People Department is to help maximise individual life chances and outcomes, through:

- Empowering communities to support and take responsibility for each other;
- Empowering individuals and families to be personally and financially resilient, to maximise their independence and quality of life and live in housing appropriate to their needs;
- Safeguarding and protecting children and vulnerable adults from harm; and
- Through a single view of the customer, enabling individuals and families to have a single, joined-up service where possible (within the Council and with partners) and as early as possible, improving the difference the Council makes to the lives of the people of Croydon at a reduced cost to the public purse.

3.14 The operating model for the department is organised around the customer journey within the Council, with greater emphasis at all stages on enabling the individual and their family to be more independent. There will be significantly greater levels of join-up across services both at all levels of assessment, in order to enable the individual or family to receive a joined-up response to a range of needs. This relationship is detailed diagrammatically below:

People services operating model



3.15 The **Resources Department** will set the strategic direction for the organisation as a whole, provide strategic and corporate support to the Place and People Departments. This will include through the customer contact centre initial triage and assessment of customer needs and identification of incidents where complex cases require expert support (from the new Gateway and Welfare Service within the new People Department).

4. REVISED STRUCTURE

4.1 **Appendix B** is a summary of the structure for each department.

5. STAFFING IMPLICATIONS:

5.1 In addition to ensuring that the first tier structure is the most optimal one to deliver our key outcomes effort has been given to ensuring the importance of capable and collaborative leadership within the Extended Leadership Team whilst also achieving significant financial savings.

5.2 All the first tier job descriptions, whether new or amended, have been revised and there is significant emphasis within them on key outcomes, leadership and the Council's values. The focus on leadership skills within the job dovetail with the skills training provided through the Council's new leadership training programme.

5.3 Attention throughout the reorganisation and implementation process has been given to maximising opportunities for both:

- nurturing existing talent from within the organisation; particularly where individuals affected are at risk of redundancy; and
- taking positive steps to achieve a senior leadership team that is representative of the Croydon communities.

Newly Created Posts:

- 5.4 7 posts have been newly created – shaded blue in table below in paragraph 3.8, of which:
- Three were filled following ring-fenced selection via Appointments Committee (of staff that would otherwise have been redundant);
 - Two have been filled by internal ring-fenced secondees;
 - One has been filled an inward external seconded (from the LGA); whilst the post is advertised externally, with a planned Appointments Committee towards the end of April 2015; and
 - One post has been opened up to both (a) inward seconded applications and (b) external interims with an officer panel interview/selection planned.

Unchanged Posts:

- 5.5 2 posts are unchanged – shaded pink in table below in paragraph 3.8 of which both are in the process, with relevant external partners, of having the job description for the post reviewed and refreshed.

Deleted Posts:

- 5.6 12 posts were, or will be, deleted (including 4 x Heads of Service posts):
- Executive Director of Corporate Resources and Customer Services;
 - Executive Director of Adults Social Care, Housing and Health;
 - Executive Director of Children, Families and Learning;
 - Director of Corporate Services;
 - Director of Customer, Transformation and Communications;
 - Director of Environment;
 - Director of Croydon Landlord Services;
 - Director of Housing Need and Strategy;
 - Head of Income, Exchequer and Benefits;
 - Head of Environment and Leisure;
 - Head of Highways; and
 - Head of Public Safety.

Transferred Post:

- 5.7 1 Director post will transfer to the Schools Mutual (Octavo) with effect from 01 April 2015

New First Tier Structure:

5.8 The revised first tier structure from 1st April 2015 comprises 20 posts:

Job Title	Associated Impact/Change
Chief Executive	Amended job which combined the CEO role and Executive Director role. Post was filled following ring fenced selection via Appointments Committee.
Executive Director of People	New job. Filled following ring fenced selection via Appointments Committee.
Executive Director of Place	Amended job – job holder’s job description has been amended.
Assistant Chief Executive (Corporate Resources and S151 Officer)	Amended job - job holder’s job description has been amended.
Assistant Chief Executive (Customer and Transformation)	New job. Filled following ring fenced selection via Appointments Committee.
Borough Solicitor and Director of Democratic and Legal Services	Amended job - job holder’s job description has been amended.
Director of Strategy, Communities and Commissioning	Amended job - job holder’s job description has been amended.
Director of Human Resources	Amended job - job holder’s job description has been amended.
Director of Public Health	Unchanged – job holder’s job description is being reviewed and revised.
Director of Universal People Services	Amended job - job holder’s job description has been amended.
Director of Gateway and Welfare Services	New job. Filled following ring fenced selection via Appointments Committee.
Director of Housing Need	New job. Being opened up to both (a) inward secondee applications and (b) external interims.
Director of Children, Family, Early Intervention and Children’s Social Care	Amended job - job holder’s job description has been amended.
Director of Integrated Commissioning Unit and Adult Care Commissioning	Unchanged - job holder’s job description is being reviewed and revised
Director of Adult Care and 0-65 Disability Services	New job. Currently being filled by an external interim and being advertised externally.
Director of Streets	New job. Filled by an internal ring fenced secondee.
Director of Safety	New job. Filled by an internal ring fenced secondee.
Director of District Centres and	New job. Currently being filled by external

Regeneration	inward secondee and being advertised externally.
Director of Development	Amended job - job holder's job description has been amended.
Director of Planning and Strategic Transport	Amended job - job holder's job description has been amended.

6. REVISED PAY ARRANGEMENTS

- 6.1 All first tier posts are subject to the new pay arrangements agreed at Council on 23rd February 2015.
- 6.2 Director posts (and the Executive Director posts) within the new People Department and new Place Department will be assessed against the market and any adjustments in pay (including removal of all other allowances and additional payments) considered, with proposed changes taking effect from 1st April 2015.

7. EQUALITY IMPACT

- 7.1 An equality analysis of the impact of the restructure has been carried out and owing to the small number of staff and the potential for individuals to be identified, the detail is not provided in this report.
- 7.2 Between 30 September 2014 and now (excluding therefore those post holders transferring on TUPE grounds or known to be retiring due to redundancy before October 2015) there has been an overall reduction in permanent staff at Director and above level of 25% - and there are 5 Director posts remaining to be filled on a permanent basis.
- 7.3 The areas where there has been a disproportionate impact are:
- A reduction of 33% in staff declared as White - English/Welsh/Scottish/Northern Irish/British
 - A reduction of 33% in staff declared as having a disability.
 - A reduction of 66% of staff over the age of 60.
- 7.4 Given the small numbers of staff the impact is not considered significant.

8. NEXT STEPS

Search and Select:

- 8.1 It is planned that the following posts will be under offer to permanent appointees by the end of April 2015. External recruitment is currently underway for the following posts:-

- **Director of Housing Need** – in the intervening time the post will be covered either by an internal secondee or an external interim
- **Director of Adult Social Care and 0-65 Disability Services** – in the intervening time the post is being covered by an external interim

8.2 It is planned that the following post will be under offer to a permanent appointee by the end of May 2015. External recruitment is currently underway for the following post:-

- **Director of District Centres and Regeneration** – in the intervening time the post is covered by an external inward secondee from the LGA

8.3 Ring fenced candidates (impacted by proposed redundancy) will be considered during June 2015 for the following posts:-

- **Director of Streets**
- **Director of Safety**

In the intervening time the current Director of Environment will be providing mentoring support until early May, and both posts are covered by internal secondees.

9. FINANCIAL IMPLICATIONS:

9.1 The new structure proposed delivers over £500,000 savings per annum in the costs of senior management. These savings have been factored into the 2015/16 budget.

Richard Simpson, Assistant Chief Executive - Corporate Resources and S151 Officer

10.0 HUMAN RESOURCES IMPLICATIONS:

10.2 None arising directly from this report. However it is important to note that the restructure was undertaken in accordance with the Council's policies and procedures and all planned timescales met, including the introduction of revised pay arrangements.

Heather Daley, Director of Human Resources

11. LEGAL IMPLICATIONS:

11.1 The Solicitor to the Council comments that the Council is entitled to provide the Chief Executive as Head of Paid Service with such staff, accommodation and other resources as are, in his opinion, sufficient to allow his statutory duties under the Local Government & Housing Act 1989 to be performed. The contents of this report comply with the statutory and constitutional requirements. By section 112 of the Local Government Act 1972 the Council has the power to employ staff on such reasonable terms and conditions as it

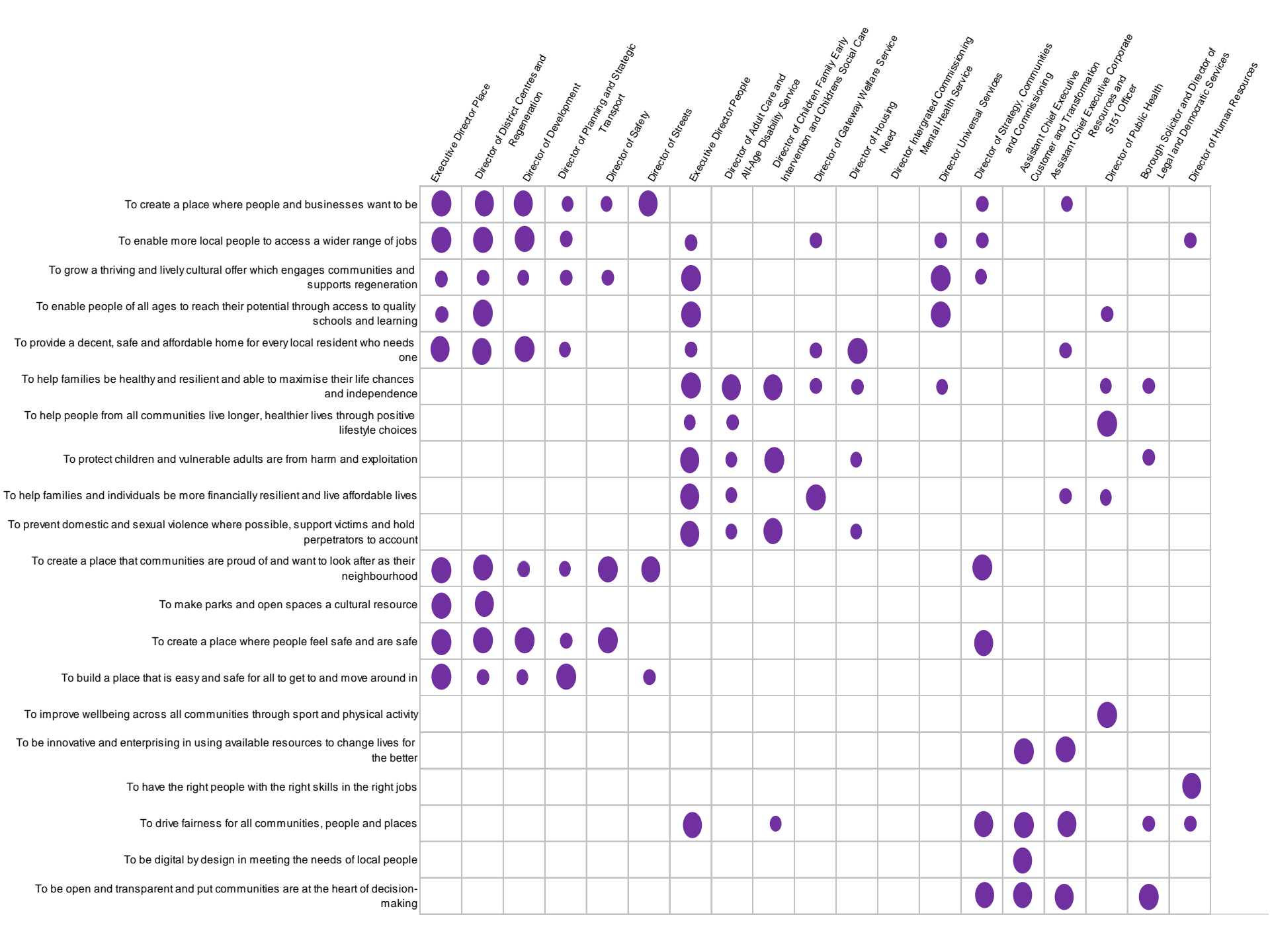
thinks fit and has recently approved the Pay Policy as part of the Budget for 2015/16.

Julie Belvir, Council Solicitor, Director of Democratic and Legal Services and Council's Monitoring Officer

CONTACT OFFICER: [Heather Daley, Director of Human Resources]

BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972

Appendix A – Ambitious for Croydon Outcomes
Appendix B – Structure Charts



Chief Executive

Assistant Chief Executive
(Corporate Resources and S151 Officer)

- Corporate and Departmental Finance
- Corporate Governance
- Insurance
- Risk Management
- Corporate Resilience
- Facilities Management
- Estates Management
- Pensions and Treasury
- HR and Finance Service Centre
- Corporate Projects

Assistant Chief Executive (Customer and Transformation)

- Customer Call Centre
- ICT
- Business Support
- External & Internal Communications
- Land Charges
- Interpreting Services
- Council-wide Transformation
- London Taxi Card, Blue Badge
- Concessionary Fares
- Welfare and Benefits Services
- Complex Debt Cases

Borough Solicitor and Director of Legal and Democratic Services

- Legal Services
- Democratic Services
- Scrutiny Services
- Elections
- Civic Services
- Coroners
- Registration Services

Director of Strategy Communities and Commissioning

- Policy & Strategy Development
- Strategic Commissioning
- Procurement Services
- Intelligence Services
- Performance Services
- Contract Management
- Voluntary Sector Funding
- Local Strategic Partnership
- Community Relations
- Fairness Commission
- Equalities

Director of Human Resources

- HR Strategy and Policy
- HR Business Partnership
- Workforce Equalities
- Workforce Planning
- Organisational Development
- Learning and Development
- Union Relations
- Occupational Health

Director of Public Health

- Public Health Services
- Public Health Advice
- Sexual Health Services
- NHS Commissioners Advice
- National Child Measurement Programme
- NHS Health Check Assessments
- Smoking Cessation
- Physical Activity
- Obesity Programme

Executive Director of Place

Director of Safety

Single Enforcement and Street-based Presence

Private Sector Housing Standards and Enforcement

Regulatory Services and Licencing

Community Safety

Place Plan(s)

Director of Streets

Highways

Street Lighting

Parking

Waste and Recycling/Street Cleaning

Place Plan(s)

Director of Development

Metropolitan Centre Development

Employment / Jobs

Development Company (ies)

Capital Delivery (Housing/Public Realm)

Programme Assurance

Place Plan(s)

Director of Planning and Strategic Transport

Spatial Planning

Development Management

Building Control

Strategic Transport

Place Plan(s)

Director of District Centres and Regeneration

Regeneration and Development in District Centres

Business/SME Growth

Capital Delivery (Schools)

Parks and Leisure

Planned Maintenance and Improvement

Housing Strategy and Commissioning

Responsive Repairs

Place Plan(s)

Executive Director of People

Director of Universal People Services

Director of Gateway and Welfare Services

Director of Housing Need

Director of Children Family Early Intervention and Children's Social Care

Director of Integrated Commissioning Unit and Adult Care Commissioning

Director of Adult Care and 0-65 Disability Services

Schools Standards, Commissioning and Inclusion

Schools Admissions and Place Planning

Libraries, Culture and Adult Learning

Children and Families Partnership

Welfare and Benefits Services (bespoke support and packages)

Registrars

Bereavement Services

Community Empowerment

Information and Advice

Gateway – integrated 'simple' assessment

Service Development

Tenancy and Caretaking Services

Incomes and Lettings

Housing Renewal

Housing Solutions

Housing Needs and Assessment

0-5 and Early Intervention

Domestic Violence and Sexual Violence

Children in Need and Child Protection

Looked After Children

Quality Assurance and Local Safeguarding Children Board

Youth Offending Service

Integrated Children's Commissioning

Integrated commissioning, working age adults

Integrated specialist Services Commissioning

Integrated Commissioning Long Term Conditions and Older People

Adult Social Care Mental Health

No Recourse to Public Funds (NRPF) and Shared Lives

Assessment and Case Management

0-65 Disability Service and SEN and Children with Disabilities

Social Work

Provider Relations and Brokerage

Strategic Development / Better Care Fund

Care Act Implementation

Quality Assurance and Adult Safeguarding Board