

Cheltenham Borough Council
Appointments and Remuneration Committee

9 June 2015

Restructure of Environmental and Regulatory Services Division

Accountable member	Appointments and Remuneration Committee delegated matter
Accountable officer	Andrew North, Chief Executive/Head of Paid Service
Ward(s) affected	None specifically
Key Decision	No
Executive summary	<p>As part of the REST project a restructuring of the Environmental and Regulatory Services Division is necessary. Whilst such a restructuring is within the authority delegated to the Chief Executive (as Head of the Paid Service), the authority to appoint to director level posts rests with the Committee.</p> <p>The Committee is requested to endorse and approve the organisational restructure proposals set out in the report;</p> <p>(i) To note that in the event that there needs to be a selection process for any of the new Director posts, the Committee is called upon to undertake the selection panel activity; and</p> <p>(ii) To delegate authority to the Chief Executive/Officers to implement the revised structure and to take any further action necessary to give effect to the contents of this report</p> <p>(iii) With this in mind the Chief Executive seeks comments from the Committee on a process to appoint to the director roles. As indicated at the meeting on the 9th March 2015 a further report on the appointment process is appropriate to decide the overall framework and to provide delegated authority for officers to progress matters.</p> <p>The Committee is recommended to RESOLVE that</p>
Recommendations	<ol style="list-style-type: none"> 1. The proposed revised structure of the Environmental and Regulatory Services Division as outlined in the report is approved 2. The job description for the new Managing Director role be

	<p>approved.</p> <ol style="list-style-type: none"> 3. The existing director is confirmed into the new role of Director – Environment. 4. To delegate authority to officers to recruit to a 12 month temporary director post by requesting expressions of interest from current service managers. 5. The Constitution requires changes to the structure to be agreed by Council hence the Committee is requested to recommend the creation of the new structure to full council, and to agree a suitable process for the recruitment of the managing director post. 6. The Chief Executive/Officers be authorised to vary the proposed process for implementation of the new structure if necessary to ensure efficiency, effectiveness and fairness in implementing the new structure.
<p>Financial implications</p>	<p>The cost of a current service manager “acting up” into the temporary director role for 12 months will range from £8,500 to £16,750, depending on the substantive post of the successful applicant.</p> <p>It will also be necessary to provide some level of backfilling under this arrangement, the costs of which will have to be determined based on service area requirements and affordability.</p> <p>Both these costs will be contained within existing budgets.</p> <p>Contact officer: Nina Philippidis, Business Partner Accountant</p> <p>Email: nina.philippidis@cheltenham.gov.uk,</p> <p>Tel; 01242 26413</p>
<p>Legal implications</p>	<p>The Appointments & Remuneration Committee holds the power to appoint and dismiss officers at director level and may consider any matters referred to it by the Chief Executive in respect of officer appointment, dismissal or remuneration. Any legal issues surrounding the future implementation of the restructure proposals will be dealt with in accordance with the Council’s Constitution, specifically but not exclusively by the Officer Employment Procedure Rules and the Officer Scheme of Delegation.</p> <p>Contact officer: Head of Legal Services</p> <p>Email; peter.lewis@tewkesbury.gov.uk,</p> <p>Tel; 01684 272012</p>

HR implications (including learning and organisational development)	<p>The HR implications are detailed in the body of this report.</p> <p>Contact officer: HR Business Partner richard.hall@cheltenham.gov.uk</p> <p>Tel; 01242 774972</p>
Key risks	<p>Any restructuring if not handled correctly can lead to loss of staff morale, service disruption and risk of legal challenge.</p> <p>Failure to properly address, as part of the restructuring, the needs of the service and its customers into the future can lead to underperformance and potentially service failure.</p> <p>The Director on E&RS makes a key contribution to whole-council strategic leadership and any underperformance of the top team could thus potentially compromise the success of the council as a whole.</p>
Corporate and community plan Implications	The performance of the Environmental and Regulatory Services Division and its Director is fundamental to the effective delivery of the council's plans.
Environmental and climate change implications	The Environmental and Regulatory Services Division makes a key contribution to the council's effort in these areas and the attitude and performance of the Director will be critical to success.
Property/Asset Implications	None

1. Background

- 1.1 In April 2014 the Cabinet endorsed a programme to transform those services which are now part of the Environmental and Regulatory Services Division which is based on the following vision: -

Programme vision

The Environmental and Regulatory Services Division will be:

- *More customer focused – delivering services in a more convenient manner for the customer*
- *More supportive of economic growth*
- *More efficient - with joined up services provided at optimal cost*

- 1.2 The REST (Regulatory and Environmental Services Transformation) programme is based on continued direct council provision of services commissioned against clear outcomes with customer focus, efficiency and effectiveness of service delivery and financial savings achieved through a systems thinking approach.

2. Divisional Restructuring Progress

- 2.1 An informal consultation has taken place with senior officers in the Division, and a service manager workshop was held on 17 February 2015 to help validate and further define the initial ideas proposed by ICE Creates. Informal consultation then took place with the entire division on the draft structure that emerged from the initial work.
- 2.2 Formal consultation commenced on the 9th April and concluded on 8th May 2015, seeking the view from the director and trade unions on the proposed triumvirate structure. After considering the feedback, a final structure has been agreed and communicated to the Environmental and Regulatory division which will be complementary to the systems thinking work and will help drive innovation and customer focus.
- 2.3 At the last appointments and remuneration committee on the 9 March 2015 it was resolved that:
- 2.3.1 It be confirmed that the post of Director of the service be 'in-scope' for the restructuring
- 2.3.2 That the three new roles be appointed together, with the managing director post being advertised externally, subject to HR advice as to suitable alternative employment options for the at risk employee. It is anticipated that the affected staff member will be ring fenced for the director roles.
- 2.3.3 That the Committee consider the job descriptions for the three posts when they are available

3. Recommendations

- 3.1 For this committee to recommend to the full council that this final structure be adopted by the Council. This structure has evolved after suggested amendments through informal and formal consultation process.
- 3.2 To consider the job description for the managing director role

- 3.3** To delegate authority to officers to recruit on a temporary basis the director post, inviting expressions of interest from the current service managers.
- 3.4** As external competition is the preferred decision for the Managing Director role then a number of decisions would then need to be made (at this meeting of the Committee or through a specific delegation) about such matters as:
- Whether to use recruitment consultants to ensure a high calibre pool of candidates is sourced
 - If head hunting is not the preferred option then where to advertise the post
 - Timeline for dealing with the recruitment
 - Setting up a process for the Committee to interview and appoint to the post

4. Reasons for recommendations

- 4.1** Confirming the appointment of the current director will ensure that his knowledge and skills are retained and that there is some continuity for the division at this unsettling time. In addition the Employment Rights Act 1996 sets a clear duty on the employer to offer suitable alternative employment to an employee who would otherwise be made redundant, where it exists.
- 4.2** It is key to the success of the Environmental and Regulatory Services Division that the structure is fit for purpose; with the new structure having been agreed there is a requirement to recruit the two vacant posts. As the appointment to director level posts and above is within the delegated functions of the Committee its views are sought.
- 4.3** Recruiting on a temporary basis from the current service managers has a number of benefits. It allows for the new managing director to be involved in any permanent recruitment of a director post. It allows time for budgetary and operation constraints to be addressed, and it is an excellent developmental opportunity while delivering the increased corporate capacity that has been identified as required.

5. Alternative options considered

- 5.1** Although it was originally felt that the Director post should be out-of-scope for the restructure this would limit the emerging options for the new structure. This was agreed at the last meeting and has been reflected in the feedback that emerged during consultation.
- 5.2** The option of splitting the division into two, and having two directors instead of 2 directors and the MD post was considered but it was felt that this would not support the programme vision of a more joined up, commercial and customer focused service.
- 5.3** The recruitment options have been set out briefly in this report and further advice will be available from GOSS HR team at the meeting

6. Consultation and feedback

- 6.1** There has been informal consultation with senior managers in Environmental and Regulatory Services Division including a workshop on 17 February 2015. Formal consultation with in scope employee and trade unions took place 9 April 2015 until the 8 May 2015.
- 6.2** Discussion took place with the REST member working group on 18 February 2015, and 13 May

2015.

- 6.3** The Leader of the Council, the Cabinet member for Development and Safety and the trade unions have been briefed on the emerging ideas about structure of the Division.

7. Performance management – monitoring and review

- 7.1** At this point high level decisions are required which can then be translated into firm proposals with budgets and timescales capable of being monitored. A divisional outcomes framework, with clear targets has been agreed. Further individual targets will need to be agreed with the directors during the appraisal process.

Report author	Contact officer; Chief Executive Email; Andrew North@cheltenham.gov.uk, Tel; 01242 2644100
Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Structure Chart for Environmental and Regulatory Services Division3. Job description and person specifications for the 2 new director posts and the MD post
Background information	<ol style="list-style-type: none">1. None

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If any restructuring is not handled correctly then it can lead to loss of staff morale, service disruption and risk of legal challenge.	Chief Executive	19/02/2015	3	2	6	Reduce	Follow due process including appropriate staff and member engagement	09/03/2015	Chief Executive	
	If there is a failure to properly address, as part of the restructuring, the needs of the service and its customers into the future then it can lead to underperformance and potentially service failure.	Chief Executive	19/02/2015	3	2	4	Reduce	CEO to implement the decision of the Appointment and remuneration committee in conjunction with Lead officers, GOSS HR and the project team	01/07/2015	Chief Executive	
Explanatory notes Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical) Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability) Control - Either: Reduce / Accept / Transfer to 3rd party / Close											

