

Executive Board – 22/11/2022

Subject:	Revised Senior Officer Structure Funding
Corporate Director(s)/Director(s):	Mel Barrett, Chief Executive
Portfolio Holder(s):	Councillor Adele Williams, Portfolio Holder for Finance and Deputy Leader
Report author and contact details:	Andrew Griffiths andrew.griffiths@nottinghamcity.gov.uk Richard Henderson richard.henderson@nottinhamcity.gov.uk
Other colleagues who have provided input:	Clive Heaphy, Corporate Director Finance and Resources Alexa McFadyen, Legal Services
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
	If Capital, provide the date considered by Capital Board Date: N/A
Total value of the decision:	£0.810 million
Wards affected:	All
Date of consultation with Portfolio Holder(s):	Leader 2.11.22, Deputy Leader 7.11.22
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Healthy and Inclusive	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input checked="" type="checkbox"/>
Serving People Well	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
This report seeks approval for funding for the revised management structure for the Council which will enable the council to effectively deliver the Together for Nottingham plan and to fulfil its statutory Best Value duty.	

Does this report contain any information that is exempt from publication?

No

Recommendation(s):

It is recommended that Executive Board:

1. Notes the Best Value Business Case approved by ACOS on 6th September 2022 as part of the council's improvement programme.
2. Approves £810,000 to be built into the council's base budget for the senior management structure of the council
3. Notes that this decision will support the recruitment of permanent staff reducing the requirement for interim arrangements.

Reasons for recommendations

- 1.1 This report to Executive Board gives a summary of the process that led to the recommendation for approval of the funding for the proposed senior management structure. These are:
- 1.2 The initial step by the Chief Executive of creating a new high-level structure with the establishment of four Corporate Directorates: Finance and Resources, Growth and City Development, People's, and Residents Services. Once the four Corporate Directors were in place, they were tasked with reviewing their directorate structures.
- 1.3 Following a period of extensive engagement, including a review of the council's management structure supported by the LGA and their 'Decision Making Accountability' process which, included interviews with 620 members of staff, and feedback from other stakeholders a final revised management structure was presented to the Appointments and Conditions of Service Committee (ACOS) in September 2022. ACOS approved the structure subject to any changes arising through the consultation process which ended on the 21st October 2022.
- 1.4 There is a requirement to implement the new structure at pace to ensure the Council has the right capacity to continue to deliver on its improvement journey and ensure it is able to meet the statutory duty of Best Value.
- 1.5 The ACOS report identified additional costs of £1.1 million split between revenue costs of around £0.850 million and other sources, primarily transformation, of £0.270 million. Following changes to the proposals prior to going to full consultation with employees, the final additional revenue cost is £0.810 million. The ACOS report is attached as an appendix to this report.

Outcomes of Consultation and considerations

- 2.1 The formal consultation process, following previous significant engagement, has not led to any changes in the proposals at director level and only a small number of changes elsewhere most significantly a reconfiguring of the specific functions aligned under Heads of Service in Community Protection and changes to the support office for the Chief Executive.
- 2.2 Concerns were raised, notably by the Trade Unions, in relation to the additional investment in senior management structures at a time when the council was faced with such a challenging financial environment. Whilst this challenge is fully recognised the additional capacity identified through this process is essential in order to address capacity gaps and to deliver the necessary improvements the council has to make.
- 2.3 The structure also ensures and provides assurance that the Council has an aligned framework and systems in place to provide effective governance and the appropriate control environment and enables the delivery of the Council's transformation agenda particularly through the strengthening of its approach and resource to create and deliver effective Commissioning, Procurement, Commercial, Digital and Customer Strategies.
- 2.5 Initial temporary funding, from the Council's Resilience Reserve, has been identified but permanent funding needs to be urgently confirmed to enable recruitment to vacant posts in the new structure.

3. Other options considered in making recommendations

- 3.1 The proposals have been developed following extensive engagement consultation they seek to address the structural issues raised in the Non-Statutory Review and carried forward in to the Together for Nottingham improvement plan. The proposals also seek to ensure that the council management structure has the capability and capacity required to address the broader issues of governance and financial management. There have been a number of iterations of the structure which have evolved as feedback has influenced the final proposals.
- 3.2 In light of outcomes of the non-statutory review and the requirements contained in the Together for Nottingham improvement plan there is no viable option to 'do nothing'.

4. Consideration of Risk

4.1 Please list any known risks and any mitigating actions.

The council is subject to scrutiny by an Improvement and Assurance Board overseeing the delivery of its improvement plan. Failure to deliver the required outcomes in the improvement plan, which requires the additional capacity identified in this report is a significant, risk to the Council.

5. Finance colleague comments (including implications and value for money/VAT)

- 5.1 For NCC to address the issues in the Non Statutory Review and become a high performing Council with a financially sustainable outlook, it needs to ensure that its front line and enabling function structures are fit for purpose in terms of both capacity and capabilities.
- 5.2 This review identifies an optimised management structure to ensure that the council has the necessary leadership and management skills and capacity to provide clear and effective leadership organised with the focus on the customer. It reverses, in a number of areas, previous budget reductions which have led to an overall weakening of the Council's ability to deliver its services to a high quality in line with modern practices.
- 5.3 The net cost of these proposals to be funded from April 2023 is estimated at circa £810,000 as set out in Annex A. These form part of the base budget going forward. For the purposes of costing it is assumed the costs are shared (e.g. with HRA) where possible and that income is only used as the source of funding when a post is dependent on this income.
- 5.4 The costings assume on costs in addition to base salaries of 33.45% (17.90% employers pension contribution, 15.05% employers National Insurance and 0.50% Apprenticeship Levy) offset by a 4.00% vacancy allowance.
- 5.5 As the need to implement these changes is urgent, the net funding requirement for the changes will be met initially through the Financial Resilience Reserve (created through past annual underspends) for one year only. Beyond this period, the Council will need to find compensating savings through the integrated MTFP process, primarily through transformation and digitalisation, to meet the long term cost of the structure.
- 5.6 These figures will be built into the MTFP and the long term savings will form a part of the overall medium terms savings.

Clive Heaphy, Corporate Director of Finance and Resources

6. Legal colleague comments

Employment

There will need to be a carefully managed recruitment/appointment programme to fill the new posts and to backfill any vacant posts created.

The proposals set out in the report raise no issues of significant legal concern. As with all proposals of this nature it is important that particular attention is paid to following, and adhering to, proper process in order to minimise the risk of any legal challenge(s) however they may arise.

Alexa McFadyen 08/11/2022

7. Other relevant comments

n/a

8. Crime and Disorder Implications (If Applicable)

n/a

9 Social value considerations (If Applicable)

Increase in capacity in commissioning and procurement will positively impact the council's ability to focus spend in the local economy.

10. Regard to the NHS Constitution (If Applicable)

n/a

11. Equality Impact Assessment (EIA)

Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because there are no policy implications beyond those covered by the initial report to ACOS
(Please explain why an EIA is not necessary)

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

12. Data Protection Impact Assessment (DPIA)

Has the data protection impact of the proposals in this report been assessed?

No

A DPIA is not required because:
(Please explain why a DPIA is not necessary)

No DPIA is needed specifically for the production of this report as there is not a high data protection risk in the report itself; we are not naming individuals in it or using any other identifiers in the report. Furthermore, we are not targeting individuals in the report in any way and the information does not relate to anyone's individual pay or performance.

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

13. Carbon Impact Assessment (CIA)

13.1 Has the carbon impact of the proposals in this report been assessed?

No



A CIA is not required because:
(Please explain why a DPIA is not necessary)

A carbon impact assessment isn't required as the changes will not impact the delivery of strategic objectives.

Yes



Attached as Appendix x, and due regard will be given to any implications identified in it.

14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

n/a

15. Published documents referred to in this report

- ACOS 18th July 2022 - Revised Senior Officer Structure to support the Council's Recovery and Improvement Programme
- ACOS 6th September 2022 Annex One: To Report "Revised Senior Officer Structure to support the Council's Recovery and Improvement Programme"