

CABINET: MINUTES

Date: 12th October 2004

Time: 10.00 am –10.50 am

Present: Councillor J K Walters (Chairman)

Councillors: S F Johnstone V H Lucas, A K Melton L J Oliver D R Pegram J A Powley J E Reynolds R Wilkinson and F H Yeulett

Also in Attendance

Councillors C M Ballard A C Kent and I C Kidman

Apologies: Councillor Wilkinson for lateness.

554. DECLARATIONS OF INTEREST

None.

555. ISSUES ARISING FROM SCRUTINY COMMITTEES

None

556. RESHAPING FOR EXCELLENCE

The Chief Executive introduced the report with a power-point presentation.
(Slides attached to these Minutes)

This report followed on from the previous reports received by Cabinet that had authorised the Chief Executive to prepare a programme for reshaping the organisation for the challenges ahead. This included making recommendations on the need for changes to the senior management structure of the organisation, as a result of both changes outside the control of the Council, observations made on the current management structure and to also take into account the need to respond to other important initiatives.

These included:

- Views expressed by the Comprehensive Performance Assessment (CPA) Team that the County Council had not been re-organised for 7-8 years,
- The requirements from the Children' Bill for a Director of Children's Services,
- Adult Social Services being transferred to the Primary Care Trusts,
- The requirements for growth included in the County Structure Plan and the creation of the Infrastructure Partnership.

The report set out the vision of the Reshaping for Excellence Programme as follows:

The Council will:

- Be a highly responsive organisation powered by informed employees working within robust, streamlined processes designed to meet the needs of customers.
- Have well-managed employees who, committed to the Council's vision and priorities, will provide excellent customer service. They will work across boundaries and confidently provide flexible, individual solutions for customers when necessary.
- Have managers who will act as positive role models to staff, developing and encouraging relationships built on trust. They will support their teams by removing barriers to best practice and encourage employees to improve local business processes. They will be good communicators who will encourage personal and career development.

Cabinet noted the following objectives of the Reshaping for Excellence programme, together with appropriate measures for their success as set out in the officers' report:

- Increased customer focus, and the empowerment of front line staff to help achieve this. A management structure orientated to service delivery and customer focus.
- More collaborative working between services and with partner organisations.
- Savings resulting from a smaller Management College.
- Improved management of the Council's performance and resources, and improved project management capability.
- More capacity dedicated to leadership, strategy and policy formulation.
- More management opportunities for women and minority groups.
- Development of a new children and young people's service built around the needs of children and their families, provided in an integrated and efficient manner
- Modernised, efficient and simplified business processes designed around the needs of external and internal customers.

The above objectives would continue to support the underlying ethos of providing low cost, high value services while increasing the benefit to the County Council's customers by being a more customer focused organisation.

Cabinet noted the projects set up within the programme to take forward the particular elements of work to meet the overall vision and objectives. It was orally reported that in addition to the 9 projects listed under paragraph 2.1 of the Cabinet report, the Chief Executive might add a further project in respect of the management of Corporate Services and reviewing the support provided to front line services. This was to be the subject of further consultation with Senior Management Team. Tabled at the Cabinet meeting was a programme status monitoring report schedule to be used to monitor the individual projects. There would be regular update reports to Policy Scrutiny and Audit Committee (PSAC) and Group Leaders on the programmes progress including an updated business plan. The Chief Executive paid tribute to the valuable contribution made by PSAC in shaping the programme.

Cabinet noted that the Risk Management Process was to be an integral part of the programme throughout its duration. The Chief Executive reported that both the programme monitoring and the risk management process were unique to the County Council's current review, and had not been included in other recent County Council re-organisations.

In answer to questions raised in respect of Appendix 1 Annexe 1 Page 3 Item 1 "Insufficient Capacity" Cabinet was assured that there would be sufficient capacity allocated to enable proper financial control and support and that additional human resources capacity was being provided by external consultants to ensure the significant input required by the programme. In addition an assurance was provided that there would be adequate budgetary control and that any problems would be reported back to Members. It was important that the costs of the exercise were estimated as accurately as possible from the outset. If it could show savings as distinct from increased costs, that would be an important bonus as it would allow the County Council continued to increase efficiency and lower its overall costs. Cabinet noted that a number of key assumptions had been made in preparing the business case, in particular the number and the cost of redundancies and the number costs of posts requiring external advertisement and search.

Cabinet noted that the County Council's appointed auditors PriceWaterhouse Coopers had seen the business case and it was recognised that it would change, as the assimilation and recruitment process continued. While the analysis included pension costs within the notional figures, in addition to redundancy payments, Cabinet's attention was drawn to the need to have regard to the total costs, including costs to the Pension Fund, if redundancy led to an entitlement to draw an early pension.

Cabinet accepted that it was a realistic business plan and had been drawn up on a worst-case scenario and was the most accurate available at the current time. It was also recognised that other factors such as realigning the new political governance arrangements, including future Spokes and scrutiny arrangements, could have a further cost impact, as currently no costs for these had been included in the current document. An assurance was provided that Members would continue to be informed of changes to the business case.

Cabinet noted the extensive formal consultation undertaken involving Members, senior management, other staff and key partners and that as a result; over 160 submissions had been received in response to the proposals. These were set out in appendix 3. Cabinet attention was drawn to the changes made to the proposed structure as a result of the positive feedback received from the consultation exercise. Particular attention was drawn to the new Area Directors of Children's and Young People's Services suggested by the Primary Care Trusts.

In answer to a question, it was confirmed that the proposed 20 Director posts were not at the same level as the current Director posts. The Director posts were equivalent to the current Assistant Director posts and did not represent grade inflation. However, a separate exercise was currently being undertaken to review senior management remuneration.

In respect of the proposals for the future of services for children and younger people, Cabinet noted that the ongoing nature of the current consultation process required that the services that Directors would manage and the relationships of the Directors to each other, would be the subject of further development. Cabinet supported proposals that the implementation of the new service should not be until 1st April 2006 at the earliest, in order to ensure that the service was designed appropriately around the needs of Children and Young People.

Cabinet noted the process agreed whereby the 80/20 assimilation rule would apply to all the Deputy Chief Executive and Director posts in the first instance, and that an independent former Chief Executive, recommended by SOLACE, would undertake the assessments.

It was confirmed that the interview process would be Member led and that in respect of the proposed appeals process; the decisions on any appeals would be made on a majority basis.

The Chief Executive placed on record his thanks for the tremendous amount of work carried out in support of the review by his Management College colleagues and in particular, from the officers of the Senior Management Team. It had had not been an easy process and their contribution had been first class. He also gave special thanks to Chris Badger management trainee and to Kala Nobbs, Assistant Director (Corporate Development) for their valuable contributions.

The Cabinet fully supported the proposals set out in the report, recognising the need to make organisational changes in order to address flexibly the many local and national challenges and to provide an improved focus on service delivery to the County Council's customers. It was recognised that adequate publicity would need to be provided to explain the rationale of the reorganisation not only to staff internally, but also to the wider public.

It was resolved to:

- (i) Endorse the vision and objectives of the Reshaping for Excellence programme set out in these minutes and endorse the business case set out in paragraph 4.0 and Appendix 2 of the officers' report.
- (ii) Note the outcome of the consultation on a revised senior management structure for the organisation (as summarised in Appendix 3 of the officers' report) and recommend the structure set out in Appendix 4 to Council for formal approval.
- (iii) Note the programme management arrangements that have been put in place by the Chief Executive to deliver the objectives of the Reshaping for Excellence programme, and support the risk management approach being adopted.

- (iv) Recommend that Council amend the membership of the Appointments Committee to read “Councillor J E Reynolds *or his nominated substitute (who shall be a member of Cabinet)*”.
- (v) Recommend that Council delegates authority to the Chief Executive, in consultation with the Head of Human Resources and the Chairman of the Appointments Committee, to appoint recruitment consultants to undertake a search and selection process to identify candidates for externally advertised Management College posts arising from the Reshaping for Excellence programme.
- (vi) Authorise the Lead Member for Children's Services Development to approve on behalf of the Council the third multi-agency consultation paper *Improving the Well-Being of Children and Young People: the Way Forward*, following discussion at the next meeting of the Children's Services Development Working Group.
- (vii) Request the Internal Political Management Working Party to consider the impact of Reshaping for Excellence on the Council's constitutional and governance arrangements, and prepare recommendations for change in time for implementation with the new Council in 2005.

Chairman
26th October