

## EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

**Committee:** Directorate Restructuring Panel      **Date:** Thursday, 29 August 2013

**Place:** Chief Executive's Office      **Time:** 8.05 - 9.20 pm

**Members Present:** Councillors C Whitbread (Chairman), Ms S Stavrou (Vice-Chairman), K Angold-Stephens, J Hart, J Knapman, G Waller and J M Whitehouse

**Other Councillors:** Councillors W Breare-Hall and B Rolfe

### Apologies:

**Officers Present:** G Chipp (Chief Executive), P Maginnis (Assistant Director (Human Resources)) and I Willett (Assistant to the Chief Executive)

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### 1. APOLOGIES FOR ABSENCE

There were no apologies for absence for this meeting.

### 2. DECLARATIONS OF INTEREST

I Willett and P Maginnis made declarations of interest concerning the draft report of the Head of Paid Service due to be considered later at this meeting. They both indicated that at this meeting and any subsequent meeting where their posts were under consideration by the Panel, they would leave the meeting for the duration of that discussion and that, where necessary, alternative arrangements regarding secretarial cover for the meeting would be made.

### 3. DEPUTIES

The Panel noted that the following Councillors had been appointed at the Council meeting on 30 July 2013 as deputies for members of this Panel:

**Conservative Group (5):** W Breare-Hall, J Philip, B Rolfe, A Watts, J Wyatt

**Liberal Democrats Group:** J H Whitehouse

**Loughton Residents' Association Group:** C Pond

### 4. TERMS OF REFERENCE

The Panel's terms of reference as agreed by the Council were noted.

## 5. DIRECTORATE RESTRUCTURING - DRAFT REPORT OF THE HEAD OF PAID SERVICE

The Chief Executive presented a report concerning his proposals for a restructuring of the Directorate structure of the authority. He advised the Panel that the report submitted to this meeting was a draft document designed for consultation purposes.

The Panel noted that he had issued an invitation to political groups to make a presentation concerning this draft and that all groups and some independent members had taken up this offer. He advised that the draft report had already been circulated freely to staff and discussed with union representatives.

The Chief Executive indicated that he was seeking comments at this meeting which he could consider prior to finalising the report for submission to the Council on 26 September 2013. He drew attention to the absence of detailed financial analysis as some costs could only be calculated once a structure had been agreed by the Council. He stated that the possibility of 3 possible voluntary redundancies together with one possible compulsory redundancy would be part of the financial assessment as would 2 unfilled Assistant Director positions. A preliminary assessment of the cost profile in respect of the proposed structure showed that it would achieve a saving after approximately 6 months to 12 months.

He stressed that these calculations were preliminary in nature and further work would be undertaken to ensure that there was an accurate picture for members of the financial benefits of implementing the structure. The Chief Executive emphasised that the structure had been devised not on the basis of cost savings but of new ways of working within the Council and the application of new visions and values and operational standards across the whole authority.

The inherent principle was the reconfiguration of services to move away from "silo" working into a more holistic operational style. He indicated however, that there were other options for restructuring proposals which would find more savings should this be an issue in the future.

The Panel noted that the report was also being submitted to the next Cabinet meeting so that portfolio holders had a similar opportunity to comment.

In ensuing discussion members of the Panel raised a number of issues concerning the proposals contained in the report as follows:

### (a) Directorates of Place and Communities

Several members referred to representations they had received from staff regarding the importance of directorate titles accurately reflecting the nature of their responsibilities. Panel members felt that this was most important in terms of interface with the public. Reference was made to the Directorates of Communities and Place in particular. It had been suggested that the term "Housing" should be included in the former and that "Place" would have little meaning to the public with "Environment" being better.

### (b) Planning

Some reservations were expressed about the Forward Planning and Development Control functions of the present Planning & Economic Development Directorate being split between two new Directorates in the draft report.

**(c) Feedback Received**

The Chief Executive was requested to include in the final version of his Head of Paid Service report a summary of the feedback received in response to the draft including those from unions, staff, political groups and councillors.

**(d) Assistant Director Posts**

It was queried why many existing Assistant Director posts were recommended for deletion in the report and new or equivalent posts substituted when in most cases duties were similar or the same.

It was explained that this was largely an issue of clarity as regards the establishment but some Assistant Director positions had changed to a degree and that this needed to be reflected.

**(e) Estates and Valuation**

Panel members queried where Estates and Valuation would be based in the structure, as they understood that the Chief Executive was currently managing the economic development function, albeit on a temporary basis. Members were concerned that these functions were very closely related. The Chief Executive supported the importance of the links between these two functions as the Council's economic development role could be assisted by the decision made about management of its own property portfolio.

**(f) Director Posts (Generic Job Descriptions)**

Some reservations were expressed about generic Job Descriptions at Director level particularly where specific professional activities were involved.

**(g) Restructuring – Measurement of Success/Further Review**

A question was raised about how the success of restructuring would be measured and whether a review was planned.

The Chief Executive explained that success could be measured in a number of ways including how well new visions and values were embedded, the end of the "silo" mentality and the implementation of new service configurations which allowed the public to receive answers to their question at first contact. Another measure would be greater staff awareness of the corporate whole and the activities of other parts of the organisation.

He went on to say that any cost savings sought would also be a measure of success as would adaptability to change of the structure to change, including joint working with other agencies if this were a Council objective.

**(h) Cross-Directorate Working**

A view was expressed about how important it was that there was strong legal advice available to support the licensing process wherever it is located in the organisation.

The Chief Executive stated that responsibility for licensing was currently split between 2 directorates, a position which was unsatisfactory in his view and which his proposals sought to address. He stated that wherever the function was located it would always have legal advice as and when necessary.

**(i) Succession Planning and Knowledge Sharing**

Concern was expressed about the need for succession planning as a result of the changes which would follow from this new structure. A member pointed out that this was particularly true of knowledge-based organisations such as Councils. A review of the structure with this in mind was raised as this might give assurance that inherited expertise and knowledge would be available.

The Chief Executive pointed out that the better use of IT resources through the new IT strategy were key issues for him. He had some personal reservations about succession planning in this Council and he saw the solution as an organisational development programme which coupled IT, skills and staffing so as to ensure that appointments were made in a planned way to meet the future requirements of the Council.

**(j) Shared Services**

A Panel member queried whether the new structure had taken account of the possibility of shared services with other authorities.

The Chief Executive said that there was a degree of shared service operations with other authorities already and that this was certainly a feature of his structure. He was less convinced about the option of outsourcing of services, indicating that he had reservations about the contractual and performance difficulties which could arise to the detriment of achieving the council's objectives.

**(k) Future Financial Position**

The Chairman of the Panel queried whether the 4 Directors was actually the right number, bearing in mind that projections of the Council's financial position were now much more pessimistic. He was concerned that the structure must be resilient enough cope with these financial pressures. His view was that it was undesirable to agree a structure now which might struggle to deal with a changing financial environment and then have to re-visit the whole process again after a relatively short period. The Chief Executive stated that he would be prepared to look at a 3 Directorate structure if that was the Panel's wish.

The Chief Executive expressed the view that he did not think it impossible to manage existing services and achieve the new operational arrangements with 3 Directors rather than 4 and his feeling was that over a 1-2 year period the Council might be forced to move to a 3 Directorate structure for financial reasons anyway.

The Leader commented that there needed to be a settled top tier to deal with the forthcoming financial problems and also the change in culture that the restructuring sought.

**(l) Conclusions**

The Panel expressed general support for the logic of the restructuring. Values and Behaviours were accepted as a significant element of the process.

**RESOLVED:**

- (1) That the proposals contained in the draft Head of Paid Service report be supported subject to the various comments made at the meeting; and**
- (2) That the Chief Executive submit to the next meeting for consultation purposes a revised management structure based on 3 Directors rather than 4 together with a financial appraisal of both options so that the Panel can give further comments on the 3 Director option prior to the Chief Executive finalising his report to the Council.**

**6. SALARY BENCHMARKING**

The Chief Executive reported that in order to give guidance to the Council regarding salary levels in respect of Directors and Assistant Directors in the new structure, GatenbySanderson had been commissioned to carry out a survey of market salaries for similar positions in other authorities. The results of this work were now to hand but had not been received in time for this meeting.

He stated that a full report will be submitted to the next meeting of the Panel which would allow the information provided by GatenbySanderson to give a context to the decisions the Council needed to make on the salaries for the new structure. It was explained that a benchmarking approach had been taken rather than using the HAY assessment method as it was clear that the Director positions were tier 2 posts and the Assistant Directors were tier 3 posts which effectively set a range of possible salary levels which members could consider. The market comparison data produced by GatenbySanderson would allow the Council to reach a conclusion about where within the tiers salary levels should be set.

**RESOLVED:**

That further consideration be given to this issue at the next meeting when a full report had been prepared.

**7. JOB DESCRIPTIONS AND PERSON SPECIFICATION - DIRECTORS, DUTY CHIEF EXECUTIVE AND STATUTORY ROLES**

The Chief Executive presented draft Job Descriptions and Person Specifications in respect of the 4 Director positions and these were broadly supported by Panel members. One query was raised in relation to the Person Specification for the Director of Resources in the prominence given to working knowledge of IT in relation to efficient and effective delivery of services. It was queried whether "working knowledge" was the right phraseology to use in that the real objective as stated by the Chief Executive was to use IT as a way of changing working practices and not merely replicate existing practices conducted by other methods.

The Chief Executive undertook to look at this section of the Person Specification.

**RESOLVED:**

That the draft Job Descriptions and Person Specifications be supported subject to the observations made.

**8. TRAINING IN EMPLOYMENT PROCEDURE RULES ETC**

The Assistant to the Chief Executive reported that the services of Gordon Menzies, Barrister, had been engaged to carry out training for members of this Panel and deputies in the Employment Procedure Rules and the forthcoming process of interviews, etc. in pursuance of the new structure.

This was planned for 14 October 2013 and it was agreed that all members of the Panel and the deputies should attend to ensure that they are fully conversant with the Employment Procedure Rules before the process began. One member of the Panel and 1 deputy indicated that they would not be available as they were abroad on 14 October 2013 and with this in mind it was agreed that those 2 members would be unable, until trained, to take any part in the interviewing process.

**RESOLVED:**

**That Counsel be engaged to carry out training in respect of the Employment Procedure Rules for Panel members and deputies at an approximate cost of £1,000.**

**9. DATE OF NEXT MEETING**

**RESOLVED:**

**That the date of the next meeting be 19 September 2013 at 8.00 p.m. with the scheduled meeting of the Cabinet Committee on Finance being retimed to begin at 6.00 p.m. or 6.30 p.m. on that day so as to accommodate the next meeting of this Panel.**

**CHAIRMAN**