

## **Report to the Cabinet**

**Report reference: C/109/2007-08.**  
**Date of meeting: 4 February 2008.**



**Epping Forest  
District Council**

**Portfolio: Leader/All Portfolios.**

**Subject: Corporate Restructure.**

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### **Recommendations/Decisions Required:**

- (1) That Cabinet notes the actions which have been taken with respect to corporate restructuring, including the holding of vacancies to achieve savings, and the ring fencing of posts to displaced staff, and considers the individual proposals from Directors and the Deputy Chief Executive;**
- (2) That Cabinet considers the consultation comments received from staff and the trade unions up to 21 January 2008 and the responses from the Directors/Deputy Chief Executive (DCE), as set out at Appendix 7 together with any further staff/union comments to be reported orally at the meeting;**
- (3) To agree recommendations:**
  - (a) 1 to 9 as set out in Appendix 1 - Deputy Chief Executive's Office;**
  - (b) 1 to 5 as set out in Appendix 2 – Environment and Street Scene Directorate;**
  - (c) 1 to 7 as set out in Appendix 3 – Corporate Support Services Directorate;**
  - (d) 1 to 10 as set out in Appendix 4 – Housing Directorate;**
  - (e) 1 to 5 as set out in Appendix 5 – Finance and ICT Directorate;**
  - (f) 1 to 4 as set out in Appendix 6 – Planning and Economic Development Directorate;**
- (4) That the Office of the Chief Executive be created, consisting of the amended Research and Democratic Services function under the Assistant to the Chief Executive, and the existing Internal Audit function under the Chief Internal Auditor, with both posts reporting directly to the Chief Executive;**
- (5) That Cabinet agrees that the net savings, as set out in Appendix 8 achieved, from these restructuring proposals be re-invested back into Council frontline service delivery; and**
- (6) That a contingency sum of £30,000 be set aside for any salary increases arising from the job evaluation process.**

### **Introduction:**

1. At its meeting of 17 December 2007 the Cabinet agreed the creation of posts at Assistant Director level, and associated assimilation arrangements. It was also noted that a

further report would be brought forward with restructuring proposals for the remaining elements of the staffing structure in each of the five Directorates and the Deputy Chief Executive's (DCE) Office.

2. The Council's Management Board has developed proposals for each Directorate and the Deputy Chief Executive's Office based upon the challenges facing the Authority over the coming years, in line with the overall structure agreed by the Cabinet.

3. The Board's proposals were submitted to staff, the trade unions and Portfolio Holders in early January for consultation purposes. In addition the Chief Executive issued a Team Briefing and the full restructuring proposals were published on the Council's intranet. All staff whose posts were potentially at risk of redundancy have received appropriate at risk letters and have been spoken to by their respective Director/ DCE individually. Comments received by 21 January are included in tabular form in Appendix 7 together with the relevant Director's or DCE's responses. Any further comments received will be reported orally at the meeting.

#### **The Overall Purpose of the Restructuring:**

4. In addition to developing a structure suitable for the efficient delivery of the Council's services, the new structure has been designed with the following principles in mind:

(i) to achieve an overall saving of £500,000 inclusive of the Top Management Structure Review savings of £200,000 as part of the Council's 3% Gershon savings for 2008/09;

(ii) savings from the Top Management Structure Review have contributed to the Council's objective of setting a budget for 2008/09 with an increase of no higher than the rate of inflation; and

(iii) efficiency gains from the restructuring below the top management level are to be reinvested into enhancing and extending the delivery of front line services.

#### **Key Principles Which Have Informed the Restructuring:**

5. In preparation for the restructuring, arrangements were put in place to reduce as far as possible any adverse impacts of the restructuring process on staff. Consequently over the last year Management Board, in consultation with the Leader, has managed vacant posts to ensure that where possible potential savings may be identified whilst protecting service delivery. This has reduced the potential impact of the restructuring on staff in terms of redundancies.

6. Furthermore, ring fencing of new posts to appropriate staff displaced by deletions or amendments to the structure are proposed, and have been the subject of consultation with postholders. These measures are intended in so far as it is possible to minimize the risk of compulsory redundancies as a result of the restructuring proposals.

7. In making the required savings some Directorates have also had to absorb the workload of previously deleted Head of Service posts. This has had varying impacts on the Directorates of Corporate Support Services, Finance & ICT, The Deputy Chief Executive's office and Housing. Having said that all Directors, as a starting point, were asked to consider achieving savings of £50,000; £300,000 in total. The split between the General Fund and the Housing Revenue Account (HRA) was to be £250,000 and £50,000 respectively. Broadly these objectives have been achieved even though it will be necessary to earmark resources for any salary increases resulting from job evaluation of posts in the new structure.

8. Although savings attributable to the HRA total £19,000, some of the savings identified by support service areas in particular will lead to savings on the HRA through the process of allocating support services costs. However, at this stage, it is impossible to quantify this amount. Furthermore, the review of the Works Unit may also contribute to the net overall savings position of the HRA, although the main objective of this exercise is to improve

productivity and performance levels.

### **Restructuring Proposals:**

9. The detailed restructuring proposals are contained in six appendices to this report as follows:

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|---|--------------------|
| • Deputy Chief Executive's Office               | Appendix One;      |
| • Environment and Street Scene Directorate      | Appendix Two;      |
| • Corporate Support Services Directorate        | Appendix Three;    |
| • Housing Directorate                           | Appendix Four;     |
| • Finance and ICT Directorate                   | Appendix Five; and |
| • Planning and Economic Development Directorate | Appendix Six.      |

10. Each appendix contains a set of recommendations relating to the details of the structure under consideration, and in addition has a spreadsheet of costs and staff ring fencing/assimilation proposals. In addition structure charts are included. Cabinet is asked to consider the detailed recommendations contained in each report.

### **Office of the Chief Executive:**

11. The Cabinet will note that two staff groupings do not appear in the service structures being proposed by Directors. These are: Internal Audit, under the supervision of the Chief Internal Auditor, and Research & Democratic Services, led by the Assistant to the Chief Executive. These two groups are designed to report directly to the Chief Executive. There is no change in the role, responsibilities and staffing of the Internal Audit Section but in relation to Research & Democratic Services, Safer Communities and Public Relations & Marketing have transferred to the Director of Environment & Street Scene and the Deputy Chief Executive respectively. The changes are set out fully in the respective reports of these officers.

12. The remaining functions of Research and Democratic Services are: Committee Administration, Member Services, Civic Support, Elections, Electoral Registration, Grant Aid, Policy & Research and other related activities. There are no changes in personnel. It is felt that the title of this group together with the Internal Audit section would better reflect its role if re-designated "Office of the Chief Executive".

### **Statement in Support of Recommended Action:**

13. The proposals contained in this report and Appendices 1 to 6 provide the Council with an officer structure which is designed to meet the challenges faced over the medium term. The savings identified will be re-invested into improving Council services, and will be the subject of further reports to Cabinet.

### **Other Options for Action:**

14. To decide on a different possible option, including different savings targets.

### **Consultation Undertaken:**

15. With staff and the recognized trade unions.

### **Resource Implications:**

**Budget provision:** The proposals achieve a saving in staffing budgets of approximately £300,000, which will be re-invested in services.

**Personnel:** As set out in the report.

**Land:** N/A.

**Council Plan/BVPP reference:** N/A.  
**Relevant Statutory Powers:** N/A.

**Background Papers:** N/A.

**Environmental/Human Rights Act/Crime and Disorder Act Implications:** N/A.

**Key Decision reference (if required):** Key Decision – Top Management Restructure.