

SAVINGS OPTION 2012/13 to 2014/15

Reference:
CEX/SAV/01

1

DEPARTMENT / DIVISION / SERVICE AREA:	Chief Executive - Corporate
DESCRIPTION:	Chief Executive's Organisational Review – Senior Management Structures
SERVICE COST CENTRE(S):	Various

2

Final Approvals - This document requires the following approvals:

Name	Title	Date	Approved (Yes/No)
<i>Jo Moore</i>	Finance Manager	21.10.11	Yes
<i>Not applicable</i>	Divisional Director		
<i>Stella Manzie</i>	Corporate Director	21.10.11	Yes
<i>Cllr Liam Smith</i>	Portfolio Holder	21.10.11	Yes

3

ESTIMATED SAVINGS								
Year	In-Year Budget Change	Cumulative Total Savings	Detailed Breakdown of Savings					
			<u>£ 000's</u>	<u>£ 000's</u>	<u>Employees</u> <u>£000's</u>	<u>Transport</u> <u>£000's</u>	<u>Supplies</u> <u>£000's</u>	<u>Other</u> <u>£000's</u>
2012/2013	(£1,051)	£1,051	£1,051	0	0	0	1,051	GF
2013/2014	(68)	£1,119	68	0	0	0	68	GF
2014/2015	0	£1,119	0	0	0	0	0	GF
Ongoing	0	£1,119	0	0	0	0	0	GF

* Indicate source as applicable: GF (Revenue) / DSG (Dedicated Schools Grant) / HRA (Housing Revenue Account) / CAP (Capital)

If your proposal will affect more than one source of funding, please give details below:

N/A

4

What Savings will be achieved?

Salaries - numbers of posts, grades, current total number of FTEs and saving proposed as a % of total staffing for the service

The Chief Executive has undertaken a review of the senior management structure of the Council alongside the mainstream proposals which have come forward from Directorates. The proposal is that the current number of Directors (4) should be retained given the requirement for senior leadership capacity to address the challenges currently facing the authority. However it is proposed to reduce the numbers of Divisional Directors from 20.5 to 13.5, a reduction of 7 posts (33%), four in the corporate management areas of the authority, with a view to limiting the immediate impact on direct services. This would however stretch capacity in those corporate areas. The proposals include proposals to move some postholders into Elevate, which are subject to negotiation and, with the exception of the DD Assets and Commercial Services are dealt with in service areas.

The proposed Divisional Director post deletions would be as follows:

- Assurance and Risk
- Assets and Commercial Services
- Children's Services – merger between Education and Targeted Support
- Customer Strategy, ICT and Transformation
- Mental Health
- Policy and Public Affairs
- Public Health

In addition there would be reductions in the numbers of third tier managers (Group Managers) with reductions from 71 to 55, most have which have come forward from Directorates but 7 of which have come forward from the Chief Executive's Review (5 in phase 1 and 2 in phase 2 – the latter 2 accounted for in other services).

Premises (heating, lighting etc), supplies and services costs)

There are already plans to consolidate buildings and space requirements for council staff and these plans would accommodate these changes.

5

What impact (positive or negative) will the savings have on:

Achieving Council priorities and performance targets

These reductions would significantly impact on the Council's capacity but the intention is to preserve the Council's ability to achieve the Council's three main objectives in relation to Housing, Education and Increasing residents' personal income.

Support Services

- **Legal/Assurance/Risk**
- **ICT**- capacity would be affected by these proposals
- **Assets/Buildings** - capacity would be affected by these proposals
- **HR**
- **Finance** - there would be less capacity to manage risk and investigate fraud in the authority
- **Policy & public affairs** – capacity would be affected by these proposals

Equalities, Diversity and Community Cohesion

These arrangements would be taken forward in line with Council HR policies. Every effort would be made to avoid reductions having an impact on the targetting of policies to meet the aspirations of disadvantaged groups.

Customers & Service Users

Any immediate impact on service users has been limited by these proposals. However the long term capacity of the Council to respond to Government initiatives, modernise services through ICT and ensure coherent corporate working would be reduced. In Adults and Children's Services there would be a reduction in senior management capacity which could lead to a slowing down of some service change. However, both services will be looking at collaborative working with other authorities. In the case of Public Health we would seek to get the best solution possible from working across London Boroughs and collaboratively with the NHS.

6

A risk assessment must be carried out. What were the results?

There will be risks in terms of Council capacity to deliver and in terms of the monitoring of risk but we need to live within the resources we have available. We will take mitigating action against these risks by :

- Restructuring to distribute responsibilities appropriately

- Having some staff report direct to Corporate Directors
- Ensuring that where areas are transferred to more junior staff they are well supported by more experienced senior staff
- Being careful about the timing of these changes in some areas.

7

Are there any costs associated with achieving this saving:

- **Costs of redundancy**
- **Up front costs (e.g. invest to save)**
- **Resources to implement**

There will be significant redundancy costs and the Corporate Director of Finance will advise on the best way of funding these.