

REPORT TO CABINET

09 January 2019

Subject:	Proposed New Structure for Law and Governance
Presenting Cabinet Member:	Councillor Steve Trow - Cabinet Member for Culture and Core Council Services
Director:	Director - Monitoring Officer - Surjit Tour
Contribution towards Vision 2030:	
Key Decision:	Yes
Forward Plan (28 day notice) Reference:	SMBC10/12/2018
Cabinet Member Approval and Date:	Councillor Steve Trow - 13 December 2018
Director Approval:	13 December 2018
Reason for Urgency:	Urgent provisions do not apply.
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	This proposal does not affect local towns
Scrutiny Consultation Considered?	Scrutiny has not been consulted.
Contact Officer(s):	Surjit Tour – Director Monitoring Officer surjit_tour@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the directorate's title change from "Director – Monitoring Officer" directorate to "Law and Governance" directorate with immediate effect.
2. Approves the Director's change in title from "Director – Monitoring Officer" to "Director of Law and Governance & Monitoring Officer" with immediate effect.
3. Approves the identified business need and analysis detailed within the Business Case at Appendix 1 to this Report.
4. Agrees the proposed restructure set out in the Business Case for the basis of formal consultation with all affected staff (and Trade Unions).
5. Subject to Recommendation 6 below, the Director of Law and Governance be authorised to determine and confirm the revised restructure for the Law and Governance directorate, having regard to all responses received during consultation referred to 3 above.
6. In the event that significant changes are to be made to the proposed restructure (as set out in the Business Case) following formal consultation, a further report shall be presented to Cabinet concerning the proposed restructure of the Law and Governance Directorate.

1 PURPOSE OF THE REPORT

- 1.1 This Report details the identified business need relating to the Director – Monitoring Officer directorate (hereinafter "the Directorate") and a proposed staffing restructure designed to help meet that need.
- 1.2 The Business Case underpinning the restructure recognises that:
 - (i) the Council has a key role to play in an ambitious borough-wide 2030 Vision and the Directorate will play a pivotal role helping to deliver it;
 - (ii) the Directorate is a provider of front-line and in-house services that must be fit for purpose by:

- providing sound judgement, advice and assistance to enable effective strategic decision and policy making;
 - ensuring all statutory roles and functions are discharged effectively;
 - delivering high quality, value for money services;
 - adopting innovative and smarter working practices;
 - promoting and embedding of good practice and standards; and
 - embedding a healthy professional work ethic.
- (iii) the demands placed upon the Directorate have significantly changed over recent years and it is essential that resources are realigned to address this change and enable the Directorate to effectively respond to future changes and needs;
- (iv) the Directorate is a provider of professional services which can only be effectively and efficiently delivered with a highly skilled, competent and agile workforce;
- (v) Vision 2030 and the review of the Directorate provides many opportunities to be maximised; and
- (vi) Embedding sound financial management and discipline is essential. Currently there is a significant financial challenge facing the Directorate that must be addressed to ensure the Directorate is capable of delivering effective services in a sustainable manner.

1.3 The identified business need summarised above and detailed within the Business Case (at Appendix 1) requires the current staffing structure to change to ensure that the business need is effectively met and opportunities maximised. The current staffing structure of the Directorate cannot achieve this.

1.4 Appendix 1 to this Report details the identified Business Case which defines the business need that the Directorate is required to meet. The proposed staffing restructure set out in the Business Case is essential to meeting the business need.

1.5 This report therefore seeks:

- a. Approval of the Business Case identifying the business need and proposed restructure for consultation - Appendix 1.
- b. Confirmation that formal consultation be commenced with all affected staff (and Trade Unions) in respect of the Business Case and proposed restructure of the Directorate – Appendix 1.
- c. Approval of the Directorate’s name change to ‘Law and Governance’ with immediate effect, and
- d. Approval of the title of the title change of the Director – Monitoring Officer to “Director of Law and Governance and Monitoring Officer” with immediate effect.

2 IMPLICATION FOR THE VISION 2030

- 2.1 The new structure will ensure that the resources available are effectively utilised to best meet the identified business need, particularly the financial imperative. The effective realignment of the resources available will help ensure delivery of Vision 2030.
- 2.2 Sandwell residents are supported by services provided by the Directorate both directly and indirectly.

3 BACKGROUND AND MAIN CONSIDERATIONS

3.1 Background

- 3.2 As the Local Government landscape and the needs of local communities and individuals continues to change, it is incumbent upon the Directorate to adapt effectively to meet those changes.
- 3.3 The Council is helping to achieve an ambitious borough-wide 2030 Vision. It provides a great opportunity for the Council, the public, partners and other stakeholders to think and work differently; and to build on past successes and make further positive differences to the lives of Sandwell residents.
- 3.4 The Directorate will play a pivotal role in helping to realise and deliver Vision 2030.

- 3.5 To meet the challenge and ensure the Directorate meets expectations and effectively delivers its services, it has been necessary to review the current service demand and provision. It is essential that the demands upon the Directorate are understood and that available resources are effectively aligned to best meet the identified business need both now and in the short/medium term.
- 3.6 It is considered good practice to periodically review the demands upon services and the resources (including staff) available. This helps ensure available budgets and resources are effectively utilised.
- 3.7 A Business Case (set out at Appendix 1) has therefore been prepared that:
- captures the vision for the Directorate;
 - examines and confirms the key strategic drivers and operational priorities that need to be addressed and delivered; and
 - details the approach and proposals that will effectively deliver the identified business need with the available resources.
- 3.8 Importantly, the proposals address the current financial challenges adversely affecting the Directorate and helps ensure the longer term financial sustainability and stability of the Directorate. This is critical if the Directorate is to be an agile and responsive service provider with the capability and capacity to deliver high quality professional advice and support across the Council.
- 3.9 The current budgetary position affecting the Directorate is summarised in the Strategic Resource Implications at section 7 below. The financial challenge facing the Directorate is quantified in the sum of a £940K deficit (details of which are set out in Section 7).
- 3.10 The proposals also seek to change the name of the Directorate and Director title from “Director – Monitoring Officer” to “Law and Governance” Directorate, with the Director’s title changing to “Director of Law and Governance & Monitoring Officer”. This change will help bring clarity on the identification of the Directorate given the nature of the services falling within the remit of the Directorate.

4.0 Main considerations

- 4.1 Currently the Directorate has 173 employees spread across three thematic areas:

➤ Legal Services

➤ Registration Services

(which includes Registrars, Bereavement Services and Coroner Services);
and

➤ Governance Services

(which includes Democratic Services Unit, Civic and Member Services, Information Management Unit, Electoral Services and Secretariat Support).

4.2 Further to the applicable priorities arising from the Resources Business Plan 2018-2021 and Peer Review in January 2018, the Business Case identifies a number of key operational priorities that need to be delivered.

4.3 The proposed realignment of staff and other resources set out within the Business Case will be supported by a Transformation Programme for the Directorate. The Transformation Programme will help drive change, efficiency and performance by:

- embedding revised values and working principles;
- exploring and implementing digital solutions;
- imposing sound financial management and discipline; and
- adopting an insightful and emotional intelligent approach to making improvements.

4.4 The Business Case and Transformation Programme together create key opportunities to develop a highly skilled and agile workforce with the capacity to deliver the identified business need and support the Council in delivering Vision 2030. To achieve this, and the financial challenge, a revised structure (which is also detailed in the Business Case at Appendix 1) is proposed.

4.5 The revised structure divides the Directorate into three thematic areas covering the following services/functions:

- Democracy
 - Civic and Member Services
 - Member Development/Support
 - Civic Support
 - Executive Secretariat Support (which is subject to a separate review forming part of the Executive Member Development Programme).

- Committee Services
 - Committee Administration
 - Scrutiny
 - Constitutional Matters

- Electoral Services
 - Elections
 - Electoral Registration

- Legal and Assurance
 - Corporate Services
 - Traded Legal Services
 - Social Care Services
 - Governance and Business Support

- Registration
 - Registrars
 - Bereavement Services
 - Coronial Services

4.6 In addition to delivering –

- a more resilient and capable workforce;
- greater opportunities for staff;
- a more agile workforce; and
- the ability to better succession plan

the proposals will deliver:

- Democracy
 - Civic and Member Services
 - Dedicated resources to deliver the Member Development Programmes
 - Enhanced support for the Mayor and civic function
 - Increased capability for constitutional events
 - Better co-ordination and management of the Executive Secretariat Support

 - Committee Services
 - Greater resources for Committee Administration
 - Increased opportunity to generate income
 - Increase capacity for the Scrutiny function and for the Governance Review

- Greater support for neighbourhood working
 - Electoral Services
 - Increased capability for Elections
 - Improvements in delivering elections and electoral registration
 - Promotion of the democratic function
- Legal and Assurance
 - Increased specialist roles
 - Dedicated and capable governance and business support team
 - Significant reduction in external legal expenditure
 - Ability to maximise Traded Legal Services and generate income
 - Enhanced social care/ children's services support
- Registration
 - Greater clarity on roles
 - Increased opportunity to generate income

- 4.7 The proposed staffing structure set out in the Business Case reduces the number of staff by 12 from 173 to 161 employees (at grades A to Hay) – see Table 1 below. All proposed/amended job descriptions have been evaluated under the Council's Job Evaluation Scheme and grades confirmed.
- 4.8 Currently seven vacant posts exist within the Directorate. After discounting the vacancies, the net overall reduction in posts is five.
- 4.9 Initial analysis of existing roles against the proposed structure shows that a very small number of staff may be displaced as a result of the proposals. However, formal consultation and other HR processes and policies have yet to be implemented which may mitigate this impact. The proposed structure includes revisions to existing posts to ensure they are fit for purpose. Whilst there is a reduction in the number of posts within the Directorate, the changes to posts/roles provide opportunities for staff to progress their careers and for their talents and skills to be utilised.
- 4.10 An indicative job-matching exercise has been undertaken using existing Job Descriptions to provide an indication of the potential impact of the proposed restructure upon current staff roles. The indicative impact is detailed in Table 1 below.

TABLE 1 – Initial Staff Impact

Service Area	Current	Proposed	Indicative Job match
Senior Management	2	3	2
Committee Services	12	12	9
Electoral Services	6	4	5
Civic and Member Services	8	7	7
Registration Services	81	80	79
Legal and Assurance Services	64	55	55
TOTAL:	173 (92 excl. Registration)	161 (83 excl. Registration)	157 (including all ringfenced)

- 4.11 A further job matching exercise will be re-run once relevant job descriptions have been updated so as to ensure current duties and responsibilities are captured. This will be undertaken through an ‘Additional Duties’ exercise where relevant staff will be afforded the opportunity to have their current job descriptions updated to reflect all their full range of responsibilities, duties and obligations.
- 4.12 The Additional Duties exercise will be undertaken as part of formal consultation with staff and Trade Unions. It is anticipated that the second job-matching exercise will help to accurately mitigate any potentially displaced staff particularly those identified following the initial job matching exercise.
- 4.13 Table 2 below details the impact of the proposed restructure by salary grade. This does not factor in 7 vacant positions within the directorate. The impact is mixed across the grades.

TABLE 2 – Initial Grade Impact

Grade	Current	Proposed	% change
Hay	2	3	50%
J	3	3	0%
I	6	14	133%

H	21	12	-48%
G	12	18	42%
F	23	20	-13%
E	33	35	6%
D	51	43	-16%
C	1	1	0%
B	0	0	0%
A	8	8	0%
Apprentice	3	3	0%
MA	3	3	0%
Total	166	163	-3%

- 4.14 The most significant changes affect grades Hay, I and G where there is a 50%, 133% and 42% increase in capacity respectively; whereas grades H, F and D have reduced in capacity by 48%, 13% and 16% respectively. The overall net impact is a 3% reduction across all grades.
- 4.15 Table 2 also shows that whilst there are reductions in capacity at certain grades, there are a number of opportunities for potentially displaced staff to apply for promotion opportunities where capacity has increased in relation to other grades.

5.0 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 Informal consultation has commenced with staff and Trade Unions on the Business Case and proposed changes to staffing structures within the Directorate. There have been regular informal meetings with Trade Unions and staff that have enabled information to be shared openly and candidly and for issues to be discussed and resolved.
- 5.2 The Business Case, Directorate priorities, objectives, financial imperative and business need have been shared with staff at several staff meetings and with Trade Unions at a Resources Joint Consultative Committee meeting.
- 5.3 Constructive weekly meetings have and will continue to be held with Trade Unions. An Issues Log has been produced to help ensure all issues raised during the informal consultation have been captured and addressed (so far as possible). The Issues Log is RAG rated and is reviewed weekly with the Trade Unions and issues sign off with their agreement once addressed. As requested by the Trade Unions, the Issues Log (as at the date of this report) is set out at Appendix 2 to this report.
- 5.4 A HR Timetable has been prepared and is attached at Appendix 3 which details the engagement and consultation steps that have and are to be undertaken along with requisite key HR processes.

- 5.5 A dedicated webpage for staff has been established to host key information such as the Business Case, proposed structure charts, various communications, FAQs and support information for staff.
- 5.6 Management and Trade Unions have held meetings with staff collectively and individually as requested by staff.
- 5.7 Management has established an Action Tracker to help ensure agreed actions that are raised are addressed in a timely manner and not inadvertently overlooked.
- 5.8 Discussions are ongoing with staff and Trade Unions. Any issues that remain outstanding will be addressed through formal consultation. In fact, until formal consultation commences some issues cannot be resolved.
- 5.9 Accordingly, it is important that the restructure process now moves to formal consultation so that all other HR processes and procedures can be undertaken and any outstanding/other issues addressed. Cabinet is requested to agree this transition to formal consultation.

6.0 ALTERNATIVE OPTIONS

- 6.1 This report sets out proposals for a new structure for the Directorate which is designed to make the most effective and efficient use of available resources. The alternative to these proposals is to retain the current structure which would not allow the identified business need to be met.
- 6.2 The Trade Unions have proposed that an alternative to the Information Management Unit/function ('IMU') being incorporated within the Governance and Business Support Team in the Legal and Assurance thematic area, is to retain the IMU team separately. The Trade Unions maintain that a separate information governance management team better reflects the importance of the functions and responsibilities in question, particularly given GDPR and associated fines of non-compliance.
- 6.3 This alternative proposal relating to IMU will be considered during formal consultation. The identified business need requires a capable, resilient and agile resource to be established to help address and meet the Council's governance duties, responsibilities and obligations which includes those arising under GDPR and Data Protection Act 2018.
- 6.4 A further alternative proposal advanced by the Trade Unions relates to Electoral Services. The Trade Unions maintain that there should not be a reduction of two Grade E posts within the Service and that both posts

should be retained and the identified £20k ear-marked towards the costs of casual resource be utilised to fund the cost of the two Grade E posts.

- 6.5 As with the Trade Unions proposals for IMU, the business need for Electoral Services requires a skilled and capable team capable of delivering effective, agile solutions. The Trade Union proposal will be considered during formal consultation.
- 6.6 All alternative options will need to be considered having regard to the financial imperative outlined in this report.

7.0 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 Resources are limited and there are often competing demands placed upon the finite resources that are available. Resources therefore need to be prioritised and utilised carefully to ensure the needs of the business are met.
- 7.2 The financial imperative affecting the Directorate is summarised as follows:

Committed Efficiency Savings 2019/20	£ 134,000
Income Targets Deficit	£ 400,000
Children's Trust – Governance Resource	£ 136,000
Additional Court Fees and Disbursements (LAC)	£ 270,000
TOTAL DEFICIT	£ 940,000

- 7.3 This Business Case addresses the financial challenges detailed above.
- 7.4 By realigning available resources and adopting a whole system and improvement approach to the Directorate, it is possible to meet the financial challenge and ensure that the Directorate is in the best possible position to meet its strategic driver/objectives and operational priorities and other obligations as identified in this Business Case.
- 7.5 Under the proposals the financial imperative will be addressed by reducing expenditure and realigning income targets as follows:

New structure	£106,000
<ul style="list-style-type: none"> ▪ Realignment of resources ▪ Development of in-house teams ▪ Implementing efficient working practices 	
Reduce Legal Income Targets (adjustment)	£400,000
Additional Income Generation – Schools	£10,000
Increase Registration Income Target	£60,000
Increased Democracy Target	£10,000
SUB-TOTAL	<u>£586,000</u>
Increased Court Fees & Disbursements (LAC) and other financial adjustments – to be met corporately	£354,000
TOTAL SOLUTION	£940,000

8.0 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Council is obliged to undertake informed and meaningful consultation with staff before implementing the proposed changes detailed in the Business Case.
- 8.2 The statutory requirements for redundancy consultation are set out in The Trade Union and Labour Relations (Consolidation) Act 1992 as amended. Where an employer is proposing to dismiss as redundant 20 or more employees at one establishment within a period of 90 days or less, the employer shall consult about the dismissal all the persons who are appropriate representatives of any employees who may be affected by the proposed dismissals or by the measures taken in connection with them. Consultation shall begin in good time and in any event at least 30 days before the first dismissal takes effect.
- 8.3 If approved, the restructure of the service will be carried out in compliance with current Council HR policies.

9.0 EQUALITY IMPACT ASSESSMENT

- 9.1 An Equality Impact Assessment ('EIA') has been undertaken in respect of the proposals detailed in the Business Case, using an analysis of the workforce profile and feedback from informal consultation on the proposals to determine any impact on specific groups.
- 9.2 The EIA is attached to this report as Appendix 4.
- 9.3 The EIA does not identify any unfair, disproportionate or other unjust impact on any of the protected characteristics.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 The proposals in this report do not relate to changes in the management of personal data, and therefore have no impact on data protection.
- 9.2 If approved, the restructure of the service will be carried out in compliance with current council HR policies.

10 CRIME AND DISORDER AND RISK ASSESSMENT

- 10.1 There is no specific impact on crime and disorder arising.

11 SUSTAINABILITY OF PROPOSALS

- 11.1 These proposals have been developed to deliver a strategically focused Directorate that is more sustainable and capable of helping the council to achieve its Vision 2030 over the medium term.

12 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

- 12.1 Whilst it is recognised that the proposals may lead to some short-term anxiety amongst some staff directly affected by the proposed structure, the consultation approach and procedures and support will help to address such anxiety and other any potential concerns.
- 12.2 In addition, those employees affected will have access to Employee Assistance & Counselling Service and support from managers.

13 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

- 13.1 This proposal does not have any impact on council managed property or land.

14 **CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 14.1 A proposed structure for the Directorate is required to meet the identified business need which includes the delivery of Vision 2030.
- 14.2 The proposed changes, combined with other transformation initiatives, will help the Directorate adapt effectively to meet the demand placed on the services it provides, ensuring a balanced budget can realistically be achieved.

15 **APPENDICES**

Appendix 1 - Business Case

Appendix 2 – Trade Unions Issues Log

Appendix 3– HR Timeline

Appendix 4 – Equality Impact Assessment

Surjit Tour
Director – Monitoring Officer