



**Haringey** Council

# **URGENT BUSINESS SHEET**

**Report Title:** Rethinking Haringey

**Committee/Sub etc:** Cabinet & General Purposes Committee

**Date:** 25<sup>th</sup> January 2011

The report is late because officers were keen to commence consultation with staff and unions at the same time as proposals became public. The soonest that relevant meetings could take place was 18<sup>th</sup> January 2011. The report is being dispatched on 19<sup>th</sup> January.

The report is too urgent to await the next meeting because it contains proposals connected with the budget package of savings. Informal Consultation with staff and unions has commenced and needs to be followed quickly with detailed information. It is important that Members are aware of the consultation so that any views may be incorporated. To delay Member consideration might impact on the timetable for consultation and therefore delay implementation. This might have an adverse impact on the profile of proposed savings.

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The Head of Local Democracy & Member Services concurs with the admission of this item.



**Haringey** Council

Agenda item:

**[No.]**

**Cabinet & General Purposes Committee**

**On 25<sup>th</sup> January 2011**

Report Title: Rethinking Haringey

Report of **Chief Executive**

Signed :

*Kevin Crompton* 19.1.11

Contact Officer : Kevin Crompton, 020 8489 2648

Wards(s) affected: **All**

Report for: **[Key / Non-Key Decision]**

**1. Purpose of the report**

- 1.1. To report to Cabinet & General Purposes Committee on proposals to reorganise the Council's top three tiers of staff.
- 1.2. To seek agreement from General Purposes Committee to the process of restructuring which is in accordance with the Council's constitution.

**2. Introduction by Leader of the Council**

- 2.1. Given the profound challenge that we face in setting our budget for 2011/12 we have to radically rethink the way that the Council functions. As we have already announced there will be over 1000 job losses in Haringey as a result of the cuts to our revenue budget. We will have to deliver £46 million of cuts to our 2011/12 budget. Such drastic change can not be delivered without a fundamental review of the Council's overall structure and the way in which it operates.
- 2.2. Our structure has to reflect both the budget we have but critically must be a means of the Council providing services which residents and business rely on. Rethinking Haringey sets out that structure and provides a basis for how the Council on a limited budget will continue to provide quality services.

**3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

3.1. The Council structure is relevant to all of the Council Plan priorities

**4. Recommendations**

- 4.1. Members of Cabinet & General Purposes Committee are asked to note the proposals attached at appendix one to restructure the top three tiers of Council staff.
- 4.2. Members are asked to note the process as detailed at paragraph 7 which accords with the Council's constitution at part K4.
- 4.3. Members of General Purposes Committee are asked to agree the timescale for implementation including receiving any references back once the proposals have been to full Council, and once consultation is complete.

**5. Reason for recommendation(s)**

- 5.1. General Purposes Committee has terms of reference governing chief officer and deputy chief officer appointments, staffing matters including restructuring. Cabinet has responsibility for oversight of services delivery.
- 5.2. The proposals in this report accord with the Council's constitution on senior officer appointments. The recommendations also allow for a significant number of appointments to be processed in a timely manner. This is important because the whole Council restructure is one of the primary methods for delivering reductions in staffing spend required by the Council budget 2011/12 and beyond.

**6. Other options considered**

6.1. Various models of staffing structure are used in Councils and were researched as a part of the development of the attached proposals.

**7. Summary**

- 7.1. General Purposes Committee is responsible for staffing matters including terms and conditions. The paper attached at appendix one proposes changes to the Council structure. Cabinet is responsible for oversight of service delivery and for setting the strategic direction of the Council.
- 7.2. It is appropriate to bring proposals for change at this time because the Council seeks to reduce expenditure on staff as a part of a package of budget reductions. Budget reductions are required to meet the shortfall in funding that the Council is to experience from 2011/12 onwards.
- 7.3. The proposals also build upon changes to policy introduced by the Coalition

Government, particularly in the areas of housing, benefits, and health & wellbeing.

7.4. The Council aims to sustain and improve the life chances of our residents, especially those who are most vulnerable, and develop a borough which is a good place to be born, learn, work, have fun and grow old. The proposals accord with this vision – to reduce inequality and work for a better society.

7.5. Cabinet will receive the appended paper on 25<sup>th</sup> January 2011, in order that it might be satisfied that the proposals accord with the vision of the Council. General Purposes Committee so that it might be satisfied with the process of reorganisation.

7.6. The purpose of a report to GP Committee at this time is to set out the process for implementing the reorganisation and seek Members agreement to the timetable of events.

#### **Process for GP Committee**

7.7. The Council's constitution provides a process for appointments to Chief Officer and Deputy Chief Officer posts. The details are outlined in the comments of the Head of Legal Services.

7.8. It is proposed that a Member appointments panel take decisions affecting those posts at Chief Officer and Deputy Chief Officer levels. This will be mainly Directors and those reporting to them. Posts below deputy chief officer will be the subject of normal restructuring procedures.

7.9. Five options exist for each post:

- a) Deletion
- b) Assimilation
- c) Closed ringfence
- d) Open ringfence
- e) Internal/ External advert

7.10. Deletion is straightforward in change terms, postholders will be referred to the redeployment pool. It is proposed that in circumstances where there is little or no change to a post that assimilation takes place. Where there is a reduction in the number of posts but little else is changing, or where there is more than minor amendment closed ringfences will be used. Close ringfences guarantee that the post will be filled from amongst those in the ringfence. Open ringfences will apply where there is significant change to a post. Open ringfences do not guarantee any person in the pool a job. Finally, for new jobs advertisement, initially amongst redeployees is proposed.

7.11. In relation to assessment, it is proposed that where there is little change in a job or where the proposals affect just one person, that the Chief Executive conduct assessment and that recommendations are put to the Appointment Panel. In circumstances where there is competition for posts or where the degree

of change is greater, Member interview panels will be held. This approach is recommended to address the urgent need to progress a restructure. Members will retain appointment decisions.

7.12. The timetable for change is proposed as:

| <b>Milestones</b>            | <b>Activities</b>  | <b>Due date</b>                |
|------------------------------|--|--------------------------------|
| <b>Phase 1</b>               |  |                                |
| Principles noted             | Report to Cabinet  | 25 January 2011                |
|                              | Report to General Purposes Committee   | 25 January 2011                |
|                              | Report to Full Council   | 24 February 2011               |
| Consultation & Communication | Consult on new structure   | February – March 2011          |
| Staffing changes made        | Authorisations inc reference back to GP Committee if necessary, changes to job descriptions, etc | March - April 2011             |
| Phase 1 Implement            | Staffing changes implemented. New arrangements commence  | wef 1 <sup>st</sup> April 2011 |
| <b>Phase 2</b>               |  |                                |
| Phase 2 transition           | Prepare proposals for transformation of services   | April 2011-March 2012          |
| Phase 2 implemented          |  | 1 <sup>st</sup> April 2012     |

## **8. Chief Financial Officer Comments**

8.1. The Chief Financial Officer has been consulted over the contents of this paper to gain an understanding of the likely impact of the proposed reorganisation on the top three tiers of the Council.

8.2. As highlighted in section 12.1, it should be assumed that any saving from the reorganisation will already have been captured as part of the individual budget proposals that underpin the 2011/12\_2013/14 financial planning process and that will form part of the budget report to Full Council in February 2011. Furthermore, amendments to the structure now being proposed may be required following the completion of the consultation process. Consequently, at this stage it is not possible to quantify either the budgetary difference between existing and proposed top tier structures or the differential in post numbers. It is recommended that this analysis is provided as part of the report to Members following consultation.

8.3. Members should bear in mind that timely and effective delivery of the required

council wide savings proposed for 2011/12 and beyond could be compromised if there are delays in agreeing the revised structure and making the necessary restructuring to the top three tiers of Council staff.

## **9. Head of Legal Services Comments**

9.1 The Head of Legal Services has been consulted on the content of this report. The report sets out extensive proposals for the reorganisation and transformation of Council services, which have both significant operational and significant organisational implications. The report is referred to the General Purposes Committee at this stage for noting and for its input concerning the organisational aspects of its content. The scope of the proposals set out in broad terms in the report will initially require decisions to be taken in principle pending the conclusion of meaningful consultation. The various reorganisations identified in broad terms at Phase 1 will require further detailed reports to come before the General Purposes Committee for decision in due course.

As the report outlines, the implementation of the significant phased organisational change envisaged will be in accordance with the Council's policies and procedures regarding reorganisation, redeployment and redundancy. In particular the arrangements for restructuring and appointment at first and second tier officer level as outlined in paragraph 7.11 are envisaged to follow the provisions of those procedures including the arrangements for first and second tier officer appointment set out in the Council's Constitution at Part 4 Section K, which require a final decision to be taken by a Section K4 Panel. Consultation will be required with individual employees affected by the proposals and with recognised trade unions at all appropriate stages of the phased proposals before any specific proposal affecting one or more employees is finalised and implemented. Further, where identified as relevant, equality impact assessments must be undertaken at all appropriate stages of the proposals before their implementation. Consideration will need to be given to the implications of the transfer of services and functions to other providers in respect of the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 and appropriate legal advice sought.

## **10. Equalities & Community Cohesion Comments**

10.1. The Council is conducting a series of Equality Impact Assessments. This and all other staffing restructurings will be the subject of an EqIA. The assessment will take account of the context for change, the reasons for it, and the intended benefits to be derived from the new structure. The assessment will identify the potential for detrimental effect amongst any staff group so that decisions may be taken in an informed environment.

**11. Consultation**

11.1. Consultation with staff and trades unions is scheduled to run from 18<sup>th</sup> January for 30 days. Staff and unions were provided with a copy of the proposals at a meeting on 18<sup>th</sup> January and will have further opportunities to discuss the structure. The timetable at paragraph 7.12 allows for the outcome of consultation to be taken into account in February/March at General Purposes Committee for significant changes or under delegation by the Chief Executive for minor amendments.

**12. Service Financial Comments**

12.1. The proposals will be costed once consultation is complete and a definitive list of changes finalised. At this stage it is estimated that management costs might reduce in the region of one third. It is important to note that much of this budget reduction will be accounted for in the budget package to be put forward at full Council on 24<sup>th</sup> February 2011.

**13. Use of appendices /Tables and photographs**

13.1. Appendix one is the Rethinking Haringey report

**14. Local Government (Access to Information) Act 1985**

14.1. Rethinking Haringey paper, Council constitution