



## OPEN REPORT COUNCIL

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**Council – 25 January 2024**

### **STRUCTURAL CHANGES TO THE ORGANISATIONAL ESTABLISHMENT**

#### **Report of the Chief Executive**

#### **Report Author and Contact Details**

Paul Wilson, Chief Executive

01629 761126 or [paul.wilson@derbyshiredales.gov.uk](mailto:paul.wilson@derbyshiredales.gov.uk)

#### **Wards Affected**

District-wide

#### **Report Summary**

The report sets out the Chief Executive's proposals to realign organisational resources in order to ensure that the Council is adequately resourced to deal with existing and future priorities and challenges.

#### **Recommendations**

1. That approval be granted for the implementation of the changes to the Council's establishment structure as outlined at Section 2.

#### **List of Appendices**

Appendix 1 : Current Organisation Structure

Appendix 2 : Proposed Organisation Structure

#### **Background Papers**

Circling Squares Member Presentation 25<sup>th</sup> September 2023.

#### **Consideration of report by Council or other committee**

No

#### **Council Approval Required**

Yes

#### **Exempt from Press or Public**

No

# STRUCTURAL CHANGES TO THE COUNCILS ESTABLISHMENT

## 1. Background

- 1.1 As Head of Paid Service, it is my responsibility to inform Council of the staffing resources required to discharge the functions of the authority. It is also my responsibility to reflect upon the future ambition of the Council and advise whether we have the resources in place to deliver on the collective ambition of the Council.
- 1.2 In September 2022, members agreed to invest in a comprehensive package of external support measures provided by 'Circling Squares', to support the Chief Executive, Corporate Leadership Team, Senior Management Team and elected members. A member briefing was held on the outcome of this work on 25<sup>th</sup> September 2023.
- 1.3 The Circling Squares report made a number of recommendations, including that:
  - There was a need for a simplified structure to effectively shape, lead and deliver the emerging corporate objectives of a realigned political administration.
  - The span of control of the current corporate leadership team is reduced and re-focussed by re-aligning the objectives, responsibility and size of this important tier.
  - Performance management and reporting should be strengthened with service directors held to account for the delivery of key services.
- 1.4 Other recommendations made by Circling Squares were that the current statutory officers (Monitoring Officer and s.151 Officer) should be redesignated as Strategic Directors with the appointment of a new, third Strategic Director to provide corporate focus and leadership across all areas of the Council. Whilst there is a cogent case for making these changes in order to create additional, much needed, strategic capacity at a senior level, it is not considered appropriate at the present time to do so until such time that the future funding position of the Council becomes clearer. Whilst the objectives of the Circling Squares recommendations can be partially achieved by pursuing an alternative approach within the limitations of current resources, if the organisation is to deliver on the corporate ambitions of the Council, there remains a need to create additional strategic capacity within the organisation at a senior level. There is also a need to ensure that the expectations placed upon the organisation by members are realistic and deliverable within current resource limits.
- 1.5 In addition to considering implementation of the findings of the Circling Squares report, an opportunity has presented itself through the retirement of the Director of Regulatory Services (1<sup>st</sup> April 2024) to look at the distribution and alignment of the Council's functions across the respective directorates and identify areas where service alignment can be improved in response to the new priorities of the Progressive Alliance.

## 2. Organisational Structure

2.1 The Council is currently structured across a number of directorates, managed by the Corporate Leadership Team (CLT) which comprises the Chief Executive and 6 Directors (Resources; Regeneration and Policy; Corporate and Customer Services; Regulatory Services; Community and Environmental Services; and Housing Services). The current structure is attached at *Appendix 1*.

2.2 As outlined above, the retirement of the Director of Regulatory Services presents an opportunity to look at the distribution and alignment of the Council's functions across the respective directorates and identify areas where service alignment can be improved in response to the new priorities of the Progressive Alliance.

2.3 One of the main aims of the Council as expressed in the recently approved (14<sup>th</sup> December 2023) Derbyshire Dales Corporate Plan is to:

***'Build flourishing and sustainable communities for residents and businesses through our housing policies, economic development plans, local development plan, and service provision.'***

2.4 The delivery of this aim will be reliant upon a number of the Council's key '*place shaping*' functions being closely aligned and working effectively together, including Development Management, Planning Policy and Economic Development. There is therefore an opportunity to realise this objective by reconfiguring the current organisational establishment by merging the majority, but not all, of the services within the current Regulatory Services Directorate with the Regeneration and Policy Directorate. A new directorate would be created to place increased focus upon '*Place and Economy*'. The new Director will be appointed in accordance with the Council's Change Management Policy. The post of Director of Regulatory Services and the Regulatory Services directorate would then be disestablished upon the retirement of the current postholder.

2.5 Functions and responsibilities currently residing within the Regulatory Services directorate which would not transfer to the new Place and Economy directorate would be redistributed as follows:

- Tree Services - move to Community & Environmental Services Directorate to link with Countryside Management and Grounds Maintenance functions.
- Estates and Facilities - move to Community & Environmental Services Directorate to reflect the extensive joint working that currently occurs.
- Climate Change - move to Community & Environmental Services Directorate to reflect the existing and potential for enhanced future joint working.
- Assets of Community Value - move to Community & Environmental Services Directorate.
- Emergency Planning - move to Chief Executive as a strategic responsibility.

The proposed organisational structure is attached at *Appendix 2*.

- 2.6 In accordance with the Council's Change Management and Job Evaluation policies, the grading of any posts impacted by the proposed changes will be reviewed to reflect changes in duties and responsibilities.
- 2.7 The revised structure proposals outlined above (excluding job evaluation impacts), would release £96,285 on the costs of the current establishment. In order to address areas of capacity weakness across the organisation, it is proposed that this is reinvested into the following areas with any balance remaining being retained in the salaries budget to address current recruitment and retention challenges as reported to Council on 28<sup>th</sup> September 2023 or further organisational changes.

#### Corporate Performance and Project Delivery

- 2.8 One of the areas highlighted by the Circling Squares work is that at the present time, there are insufficient resources and capacity within the organisation to lead on the delivery of key 'corporate' projects or to co-ordinate, facilitate and deliver on projects across a number of service areas. There is also a need to ensure the effective delivery of Corporate Plan objectives through a robust performance management framework.
- 2.9 It is therefore proposed that Council invests some additional resources to supplement existing knowledge / skills in the organisation, to address some of the strategic capacity issues highlighted in the Circling Squares report. This resource would work across the organisation and will provide additional corporate capacity at a senior level. It would be focussed upon the following areas:
- Development of Corporate policy and strategy.
  - Corporate project planning and performance, including annual business planning and performance management cycles, ensuring that the organisation's objectives align with the Corporate Plan.
  - Supporting delivery of the Council's overarching programme of projects, offering particular expertise in programme and project management.
  - Corporate risk management.
  - Reactive project work in relation to specific, unforeseen events.
- 2.10 These resources will sit within the Corporate and Customer Services directorate. Further work is required to determine the scope and form of these resources if approved by Council.

- 2.11 The scope and grading of any new posts created would need to be determined through the Council's Job Evaluation process and will be within the existing senior managers' grading structure.

#### Corporate Health and Safety

- 2.12 The Chief Executive as the Head of Paid Service has the overall responsibility for the management of health and safety throughout the organisation. In this regard, the Chief Executive is required to ensure that adequate resources are allocated to enable the effective implementation of all relevant legislation and that arrangements exist for the effective management of health and safety.

- 2.13 Under the Council's Health and Safety Policy, Directors are responsible for the effective management of health and safety within their department. In this regard, they must ensure that appropriate procedures and systems are formulated for any risks or work activities which are not covered by the corporate policy and where necessary formulate additional procedures to those within the corporate policy.
- 2.14 Adequate resources in terms of finance and staffing must be allocated to ensure that health and safety can be managed effectively. The Council should therefore be satisfied that it has sufficient staff time allocated to health and safety and that the staff involved are adequately experienced and knowledgeable to carry out this function. The current Director of Regulatory Services has played a significant co-ordination role in ensuring compliance with relevant health and safety legislation due to his knowledge and experience, however this will be lost once he retires from the Council's employment. In order to ensure effective management of health and safety across the organisation, the Council needs to invest in this area through the appointment of a dedicated Health and Safety resource. This may be a dedicated appointment or provided through a partnership arrangement.
- 2.15 An initial approach has been made to Derbyshire councils and interest has been expressed in the potential for a joint service delivery arrangement with Bolsover District Council and North East Derbyshire District Council. Further discussions have been scheduled to take place and if agreement can be reached on a joint service delivery model, that arrangements be made for implementation from 1<sup>st</sup> April 2024 or as soon as possible thereafter.

#### Development Management

- 2.16 The Council's Development Management service currently consists of 10.6 FTE officers delivering the processing of planning applications, providing pre-application advice, a planning enforcement service, a tree and landscape service, and a conservation and design service. At the present time, the team is under significant pressure with vacancies for a Principal Planning Officer (advertised 3 times without success) and a Senior Planning Officer. There is a national shortage of skilled and experienced planning professionals at the present time and we are in a very competitive market.
- 2.17 The current structure was established following a comprehensive review of the Development Management service which was undertaken in 2014/15 and implemented in 2016. This structure has served the authority well since its implementation, with stable performance achieved. However, due to the current challenges in recruitment and retention and the increased demands and expectations placed upon the service by elected members and members of the public, there is a need for a fundamental review of the structure of the Development Management service to be undertaken which may require further investment. There are also changes arising from the recently updated National Planning Policy Framework and the Levelling up and Regeneration Act 2023, including a reduction in the planning guarantee from 26 to 16 weeks which will require applications to be determined within the prescribed statutory timescales (without agreed extensions) or risk the refund of the planning application fee paid by the applicant.

- 2.18 Work on a revised structure for the Development Management service is to commence immediately. In the meantime, in accordance with Progressive Alliance priorities to improve performance on planning enforcement, it is necessary to review current resource allocation in this specific area in advance of any wider proposals.
- 2.19 At the present time the enforcement service consists of 0.5 FTE Enforcement Team Leader (the remaining 0.5 FTE of this post undertakes a Senior Planning Officer role) plus 1.6 FTE Enforcement Officers. In order to increase resources in this area, it is proposed to disestablish the current Enforcement Team Leader / Senior Planning Officer position and establish 2 new posts - a dedicated full-time Enforcement Team Leader post and an a full-time Senior Planning Officer post. It is also proposed to increase Enforcement Officer resources within the enforcement team by an additional 0.4FTE. In order to facilitate this change, the existing post holder of the combined ETL/SPO post has expressed a desire to transfer into the current vacant full time Senior Planning Officer role.
- 2.20 The estimated costs of these changes amount to £74,541 per annum.
- 2.21 On 6<sup>th</sup> December 2023, the Government introduced a national increase in planning application fees of 35% for applications for major development and 25% for all other applications. In addition, government introduced an annual indexation of planning applications fees, capped at 10% from 1 April 2025.
- 2.22 It is expected that this increase in fees will be specifically utilised by Local Planning Authorities to increase professional planning resources in order to deliver the levels of service expected and for which the performance of the District Council is to be measured against. Taking average income from Planning fees across the last 5 years and assuming an average of 25% increase in planning fees across all application types, additional revenue in the region of £112,069 per annum is anticipated. The anticipated increase in planning application fee income is therefore sufficient to cover the increased costs.

### **3 Financial Resources**

- 3.1 Implementation of any meaningful measures to improve organisational resilience needs have regard to the overall impact upon the Council's finances and specifically, the Medium-Term Financial Plan.
- 3.2 The Director of Resources has previously advised Council that it is difficult to predict the level of finance settlement that might be received from 2025/26 onwards given the lack of clarity over future funding levels. However, with the prospect of a future Fair Funding Review and baseline business rates reset, there is no certainty that previous levels of funding will continue into the medium term as significant changes in local government finance are expected to take place from 2026/27, which could have a significant impact on the Council's revenue account.
- 3.3 The Council has strategic reserves for specific purposes which are earmarked for identified purpose. This ensures the availability of the amounts in these reserves for those purposes and defrays demands on the revenue spending and general balances. These reserves are reviewed on at least an annual basis

to ensure they are adequate for the purpose, but not excessive, based on an assessment of needs, an understanding of risks, and taking into account the opportunity costs of maintaining reserves. It is therefore financially prudent to seek to utilise existing resources and reserves wherever possible in order to minimise long-term impacts upon the Council's revenue budget.

#### **4. Options Considered and Recommended Proposal**

- 4.1 One alternative option would be to retain the current organisational structure, however this would not realise an opportunity to bring closer alignment of 'place shaping' functions under a single directorate in accordance with Corporate Plan ambitions. The recommended proposal delivers organisational improvements within the existing revenue budget and is thus cost neutral. Changes to Development Management realise the Progressive Alliance's ambition to strengthen planning enforcement functions which can be financed through the increase in planning fee income. Further investment in the Council's planning service will help to sustain and potentially improve the Council's overall performance levels in accordance with national objectives.

#### **5. Consultation**

- 5.1 Corporate Leadership Team (CLT) and HR Manager has been engaged in the development of these proposals. Staff within Regulatory Services Directorate have also been consulted. All staff have been informed of these proposals.

#### **6. Timetable for Implementation**

- 6.1 Subject to the approval of the above recommendations, work to implement the proposals will commence immediately.

#### **7. Policy Implications**

- 7.1 An effective organisational structure that is appropriately resourced and aligned to the delivery of the Council's priorities helps to deliver the Council's ambitions and plans for the District as a whole.

#### **8. Financial and Resource Implications**

- 8.1 Financial implications have been addressed in sections 2 and 3 of this report. The recommended changes to the Council's establishment structure as outlined at Section 2 of this report can be met from existing budgets and an expected increase in income from planning applications. The financial risk is assessed as low to medium.

#### **9. Legal Advice and Implications**

- 9.1 The Head of Paid Service is required by Section 4 of the Local Government and Housing Act 1989 to report to Council on proposals concerning the organisation of the Council's staff and appointment and proper management of the Council's staff.

9.2 The legal risk associated with the recommended decision in this report has been assessed as low.

## 10. Equalities Implications

10.1 There are no specific equalities or diversity issues associated with this report. The council is committed to fulfilling its obligations under the Equality Act 2010, including the Public Sector Equality Duty (Section 149). This duty includes a general duty and specific duties. The general duty requires public bodies to have 'due regard' to the need to:

- eliminate unlawful discrimination, harassment and victimisation and conduct prohibited by the Act,
- advance equality of opportunity between people from different groups; and
- foster good relations between people from different groups.

## 11. Climate Change Implications

11.1 A climate change impact assessment is not necessary in respect of the recommendations in this report.

## 12. Risk Management

12.1 The Head of Paid Service is required by Section 4 of the Local Government and Housing Act 1989 to report to Council on proposals concerning the organisation of the Council's staff and appointment and proper management of the Council's staff. Implementation of the proposals outlined within this report, will seek to ensure that the District Council is better able to manage future risks around organisational resilience, resources and priorities. If implemented, the strategic risk is assessed as low.

### Report Authorisation

Approvals obtained from:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Paul Wilson	15/01/2024
Director of Resources/ S.151 Officer (or Financial Services Manager)	Karen Henriksen	17/01/2024
Monitoring Officer (or Legal Services Manager)	Helen Mitchell	16/01/2024