

SECURING OUR FUTURE - SEVERANCE PAYMENT

Report Submitted by: Rachel Jowitt, Chief Officer, Neighbourhoods, Planning & Public Protection

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1. Area Affected

1.1 County Borough wide.

2. Purpose of Report

2.1 To seek Council permission in respect of severance costs to allow the department to reduce the number of senior managers and modernise, align its structures to priorities and enable the department to develop to ensure it is fit for the future.

3. Key Messages

- 3.1
- The service has been subject to a comprehensive review and proposals for change are to ensure the services are aligned, duplication reduced and future opportunities are able to be seized and delivered
 - That a fair change management process has been followed
 - That we are future proofing the service and that short term costs will result in a net revenue saving to the Council

4. Background

4.1 As Members will be aware the department has been subject to a thorough and inclusive review (outlined in the Council report of 26th June 2018). The changes will see a realigned and reinvigorated attention on frontline operational leadership and a division solely focused on local economic prosperity and well-being and aligned to the strategic purpose and vision of City Deal. In June Council approved expenditure for severance payments to allow the change management process to be instigated as the proposal, as agreed by the Head of Paid Service subsequent to Council approval, was to reduce the number of Heads of Services' from five to four.

5. Issues and Findings

5.1 A fair and inclusive process was followed completely in line with Council policy and procedure. A full consultation was run with affected colleagues and the wider department on the strategic fit and purpose of the reorganization within the department. There was overwhelming support for the proposals with people welcoming the realignment believing it made strategic sense in terms of what services were being brought together, that a fresh perspective and challenge was given to the teams and in particular the new Economy and Skills division fully aligned and complemented the City Deal purpose and structure.

- 5.2 As a result of the consultation the Chief Officer received Head of Paid Service approval to implement the proposals through a management of change process. This was done with the outcome being that neither at risk officer applied for the post. This is not a reflection on the post, its JD or the process that was followed. As outlined above there was agreement with the strategic direction and purpose for the restructure. However the affected individuals considered this in depth and did not believe the role to be a suitable alternative given the change to responsibilities and strategic direction the Council have embarked upon, and reached personal conclusions which fit with their circumstances and future career aspirations. The June report did not anticipate this situation, believing at least one at risk officer would apply to the new roles. Therefore this report seeks Council approval to incur severance costs above those previously agreed in June. As the at risk officers are Heads of Service alternative roles within the Council that may be deemed suitable for redeployment are limited and there are no suitable vacancies at present. This is a situation that is likely to continue given the difficult funding situation that shows no sign of easing. The consequence is that both Heads of Service are now at risk of redundancy, with little opportunity for redeployment.
- 5.3 The costs reported within the June report and approved were for a maximum redundancy cost of £73k and pension strain costs of up to £44k per annum over three years, funded 50:50 from corporate and service specific reserves. The additional costs arising as result of no at risk officer applying are a further £67K redundancy and further pension strain costs of £44k p/a over 3 years. These later costs will be funded again on a shared basis with the redundancy element being from corporate reserves and the pension strain being absorbed by the service specific reserve/budget.
- 5.4 In terms of financial impact a HoS total costs equates to c.£96k per annum and therefore there will be a real cash benefit within four years. It is fully appreciated these are large sums in an era of austerity. However the business case for change is robust and is supported widely within the department and externally within our business community and with City Deal. Once the teams are realigned further work will then be undertaken to remove duplication, enhance frontline leadership models and streamline and modernise our business engagement strategy. Indeed the question should be - can we afford not to make this change given what we would be unable to do if we stayed as we are.

6. Consultation

- 6.1 Consultation has taken place with the following who are supportive of the approach outlined above:
- a) The Leader and relevant Executive Members
 - b) Chief Executive
 - c) Assistant Chief Executive Resources
 - d) Head of Strategic Human Resources
 - e) Monitoring Officer

7. Well-being Assessment

7.1 A Well-being Assessment Tool is attached as Appendix 1.

1. How does the decision apply the 5 ways of working – integration, long-term, prevention, collaboration and involvement?

This proposal ensures the department is equipped for future service delivery and is designed to meet future challenges, both service quality and financial austerity. The ethos underpinning this change is to ensure there is integration across the department and remove duplication, to take a long-term perspective on the structure of leadership to ensure teams are well-led and there is a long term strategy in place.

2. How does the decision maximise contribution to the well-being goals?

By changing the structure of leadership it allows for more strategic delivery of priorities which align with the well-being goals.

3. How does the decision comply with the Welsh Language Measure (2011)?

The proposal has no impact on the Welsh Language Measure

4. How does the decision comply with the Equality Act 2010 (Statutory Duties) (Wales) Regulations (2011)?

This proposal does not impact on any groups or individuals with protected characteristics.

5. How does the decision comply with the Environment (Wales) Act (2016)?

Through realignment the proposal should improve our compliance. This department is the lead on the Council's response to the Environment Act and this process will help achieve our strategic aspirations.

8. Risks

- 8.1 The biggest risk is non-approval and not grasping the opportunities this proposal offers. If approval is not given the strategic change that the restructure was aimed at would not be realized and the £96k would also need to be found from other sources which undoubtedly would impact on other officers within the department. Given the values at stake numbers of officers affected would be greater than that proposed in this report. It also goes against the grain of the desire of colleagues of "less chiefs more indians". If approval is not granted the department will work hard to achieve its new vision and purpose, but it will be harder and efficiency measures could be greater felt at the frontline which is the last place we want to find savings from.

9. Action to be taken following decision

- 9.1 If approval is granted to the proposed expenditure on severance costs the Chief Executive will receive a report seeking permission to advertise for a new Head of Economy and Skills. Members can be assured that a robust recruitment process will be followed to ensure we have an outstanding candidate who builds on the excellent foundations already laid and take the teams onto the next journey for economic renewal and well-being within this County. The affected officers will also be served with a formal at redundancy notice and an end date agreed with the Chief Officer.

10. Measures of Success

- 10.1 The newly invigorated Heads of Services will be empowered and mandated to review and identify how the synergies can be maximised and duplication reduced. In time our offer will be streamlined and duplication reduced and frontline services will improve. In time as outlined in the previous report further financial saving will also be achieved.

11. Conclusion/summary

- 11.1 This proposal is about equipping the department with the appropriate leadership and placing of functions within a strategic context. Through a reduction from five to four efficiencies can be achieved and this report outlines the severance costs that will be incurred through a fair management of change process.

12. Recommendation(s)

- 12.1 That Council approves the further severance costs and funding source as outlined in the report at 5.2.

Appendices	1. Well-being Assessment Template.
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Background Papers	None
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For a copy of the background papers or for further information about this report, please telephone: Rachel Jowitt, Chief Officer Neighbourhoods, Planning and Public Protection – 01633 647626, e-mail: rachel.jowitt@torfaen.gov.uk

APPENDIX 1 - WELL-BEING ASSESSMENT

Project Description (key aims): Severance Payment for Chief Officer / Head of Service

Section 1) Complete the table below to assess how well you have applied the 5 ways of working.

 <p>Integration</p>	<p>1. <i>How does your project / activity deliver economic, social, environmental & cultural outcomes together?</i></p> <p>The reinvigorated department will allow for closer intergration between serivce areas focused on achieving priorities and ensuring strategic alignment with partners and the community.</p>
 <p>Long-term</p>	<p>2. <i>How does your project / activity balance short-term need with the long-term and planning for the future?</i></p> <p>This proposal is all about future proofing a front-line outward facing council department.</p>
 <p>Prevention</p>	<p>3. <i>How does your project / activity put resources into preventing problems occurring or getting worse?</i></p> <p>By realigning departments and removing duplication resources can be prioritised to focus on prevention of corporate priority areas.</p>
 <p>Collaboration</p>	<p>4. <i>How does your project / activity involve working together with partners (internal and external) to deliver well-being objectives?</i></p> <p>This is an internally focused report to allow a change, the outcome of which is to ensure a better way of working particularly with customers and clients.</p>
 <p>Involvement</p>	<p>5. <i>How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area?</i></p> <p>Like 4. above this is an internal proposal which will not have a negative impact on stakeholders but will reinvigorate and improve how we work with all.</p>

Section 2) Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals (use **Appendix 1** to help you).

Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there anyway to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
<p>A prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p>Functions are to be realigned which allows for a more concerted focus on this well being goals which primarily for Torfaen this department is charged to deliver.</p> <p>Divisions will be reinvigorated and empowered to review purpose, form and function to allow priorities flourish and outcomes achieved.</p>	
<p>A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>As above</p>	
<p>A healthier Wales A society in which people’s physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>	<p>Whilst not a direct link to this well-being goal the department’s whole mission is about clean, green and raising prosperity, which in the long term if achieved is proven to have an impact on health of citizens.</p>	
<p>A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>	<p>As above</p>	

<p>A Wales of cohesive communities Attractive, viable, safe and well-connected communities.</p>	<p>We strive to create prosperous, sustainable communities. The change will help achieve this vision through integration of functions, removal of efficiency and refocus on priorities.</p>	
<p>A Wales of vibrant culture and thriving Welsh language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<p>There is no direct impact on this well being goal.</p>	
<p>A globally responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	<p>Whilst an internal proposal the change will ensure the department is equipped to be part of the challenge to be a globally responsible Torfaen</p>	

Section 3) Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts.

Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age	<p>There is no impact from this proposal on protected characteristics.</p>		
Disability			
Gender			
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Race			

Religion or Belief
Sexual orientation

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Section 4) Identify decision meetings for project/ activity e.g. Cabinet, Council or delegated decisions taken by Executive Members and / or Chief Officers.

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Officer Name and Job Title: Rachel Jowitt Chief Officer, Neighbourhoods, Planning & Public Protection
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