



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH OVERVIEW & SCRUTINY COMMITTEE	AGENDA ITEM No: 14
Monday 25 February 2019	

**CALL IN - EMPLOYMENT COMMITTEE - 13 FEBRUARY 2019 (REF: AGENDA ITEM 3)
RESTRUCTURING OF MANAGEMENT AND DEPARTMENTS OF THE
CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY (CPCA)
(RESPONSE BY INTERIM CHIEF EXECUTIVE)**

1.0 PURPOSE

- 1.1 To provide a response to the call-in and provide further information to enable the Committee to discuss the matter in public session.

FOR INFORMATION ONLY

2.0 PROPOSALS

- 2.1 Exempt Appendix 1 details the consultation document to staff detailing the Interim Chief Executive proposals to restructure the management and departments of the CPCA including impact on individual staff. This report summarises the main elements of the consultation document and organisational charts with details of individual staff excluded.

2.2 REASONS FOR CHANGE

- 2.2.1 The interim Chief Executive has undertaken a 'root and branch' review of the programme and priorities and staffing to meet the challenges facing the CA up to 2020/2021 and beyond.

2.2.2 Strategic

The Mayor and the CA Board have agreed a wide ranging and ambitious set of corporate priorities arising from the devolution deal with Government. The CA have also inherited the resources and responsibilities of the LEP and have established a new Business Board. In addition, the CPCA has subsequently received devolved powers for Adult Education and undertakes on behalf of the South East, Energy Hub responsibilities. These proposals have also been informed by the conclusions of the CPIER interim report. The implementation of these priorities, especially the significant infrastructure projects have organisational as well as budgetary implications.

2.2.3 Organisational

The CA has only been in existence since March 2017 and inherited from the devolution deal significant commitments to the Government, underpinned by an assurance framework, and soon after, commitments to the community from the election of a directly elected Mayor.

The leadership of the organisation has had to make a series of pragmatic decisions to resource these commitments whilst also preparing the governance, financial and other operational capacity of the organisation.

This has involved a mixture of directly employed staff, secondments from constituent Councils and other bodies, interim staff and consultants. Despite the implementation of these arrangements, there remains significant vacancies and gaps in resources in key areas of the organisation.

The complexity of the organisational challenge is confirmed by an analysis of the skill set required to move the CA forward, particularly in the delivery of its corporate commitments and projects, specifically:-

- programme and project delivery including project management and negotiating skills;
- commercial acumen to maximise the value of the investments made by the Combined Authority;
- effective partnership skills with constituent Councils, Governments, other public agencies, public/private partnerships and businesses;
- programme and performance management;
- strategic financial management to allocate the right resources to key projects and programmes including treasury and budget management;
- innovation – developing an organisational culture to enable innovation at all levels of the organisation;
- less risk averse to encourage innovation and fully understand the relationship between risk and reward;
- appreciation of open and appropriate governance to build the reputation of the CA and its organisation.

2.2.4 Financial

The CA must provide 'value for money' in its organisation ensuring resources employed in a manner which maximises delivery, provides resilience and flexibility to respond to new challenges and responsibilities from Government. The assumptions built into the 2019/20 budget agreed by the CPCA Board are detailed in paragraph 4.1 of the Employment Committee report (ref; 13 February 2019).

In addition, the proposed changes to the senior management structure will save a further £300,000 (estimate) and £500,000 (estimate) once Director, Housing costs are met from CPCA Co commercial returns.

2.2.5 Commercial

The CA will adopt more commercial structures to accelerate delivery, draw in external resources, achieve 'land value capture' and recycle funds. The organisational structure needs to be mindful of these emerging developments and flexible to meet these challenges in terms of skills required.

3.0 PROPOSALS

3.1 In summary, the building blocks for the restructured organisation will include the establishment of:-

Delivery focused management team led by a permanent Chief Executive, with direct responsibility for Human Resources.

Directorate to lead Business and Skills including responsibility for the new Business Board and Energy.

Directorate to lead the housing and development priorities of the CPCA with significant commercial opportunities

Directorate to include Transport delivery and lead strategic policy including spatial planning to monitor the performance of the achievement of priorities, government and partner liaison and engagement, communication and liaison with the Mayor's Office.

One corporate directorate focused on protecting the corporate governance of the CPCA and the management of the financial resources to meet the needs of the organisation.

Small dedicated unit supporting the policy and administration requirements of the Mayor of Cambridgeshire and Peterborough led by a Chief of Staff (reporting to the Chief Executive for HR purposes).

- 3.2 There are further restructuring proposals affecting the senior management structure of the CPCA reflecting the significant actual and proportion of these costs to the new staffing establishment. These are summarised in Appendix 1. Implementation of these proposals would require deletion of the vacant posts of Director, Finance and Director, Transport.
- 3.3 In addition, it is proposed to second Director, Housing and Development into the CPCA Co (when established) with those salary costs underwritten by CPCA for 12 months. The transfer of any further residual housing function will be assessed in 2019/20.
- 3.4 In summary, the proposals include the deletion of 31 posts and the creation of 22 posts. There are four officers at risk of redundancy. The Chief Executive has a duty to mitigate these redundancies wherever possible. New posts will be subject to internal and external advertisement. Other new posts in the structure will be offered as suitable alternative employment to existing staff. If a new position is graded at a lower scale than the employees' current posts, pay protection arrangements will apply for a period of 12 months.
- 3.5 The new post of Strategic Funds Manager (Business and Skills) will initially be ringfenced for interview by two of those staff at risk of redundancy.
- 3.6 Revised draft management and departmental structures are attached as Appendix 1. Draft job profiles of the new posts in the proposed establishment are available on request.
- 3.7 In addition, the interim Chief Executive is also proposing two further amendments to the employees' terms and conditions in respect of automatic incremental progression, and salary protection, as set out below.
- 3.7.1 The automatic incremental progression within salary grades be withdrawn from 1st April 2019. Incremental progression will be subject to performance. Details of the scheme will be published shortly.
- 3.7.2 Employees under notice of redundancy who accept an offer of alternative employment with the CPCA, will be offered the position on the terms and conditions of employment applicable to that post. If a new position is graded at a lower scale (maximum of 1 or 2 scales) than the employees current post, then pay protection arrangements will apply for a period of 12 months.

These proposed changes, reflect the requirement to reduce the cost of incremental progression on the revenue budget of the CPCA and to link and embed performance with reward in the new organisation.

4.0 **CONSULTATION PROCESS**

- 4.1 The consultation timetable will be finalised after full consideration of the call in and the subsequent reference back (if agreed). Staff will be given 30 days to make written representation to the Interim Chief Executive.

The consultation document also details support to staff at risk and appeal procedures.

Any changes to the proposals for senior management and/or terms and conditions in relation to incremental pay and salary protection following the consultation will need to be approved by Employment Committee which may delay implementation.

5.0 **ACTIONS ARISING FROM THE EMPLOYMENT COMMITTEE - 13 FEBRUARY 2019**

5.1 The draft proposals fell within the terms of reference for decision by the Employment Committee, specifically in relation to changes to senior management and changes to terms and conditions affecting all staff.

5.2 As a result of the decisions of the Employment Committee, the Interim Chief Executive has made a number of changes to the draft consultation document. These changes are reflected in the exempt appendices provided to the Committee.

5.3 These changes are summarised below, specifically:

- The re-designation of the proposed Senior Transport Manager to Head of Transport focusing on co-ordination of CPCA transport priorities and programmes rather than having responsibility for the delivery of a portfolio of projects. The Interim Chief Executive has also revised assumptions on salary and the option to pay a market supplement. The Interim Chief Executive has also increased the Strategy and Delivery (Transport) section by reinstating one additional Project Manager.
- Salary protection arrangements as detailed in paragraph 3.7.2 have been reduced from the current 24 to 12 months.

6.0 **FINANCIAL IMPLICATIONS**

6.1 Financial implications (estimated) of these proposals are detailed in paragraph 2.2.4.

7.0 **APPENDICES**

Appendix 1 - Draft management and organisational structures.

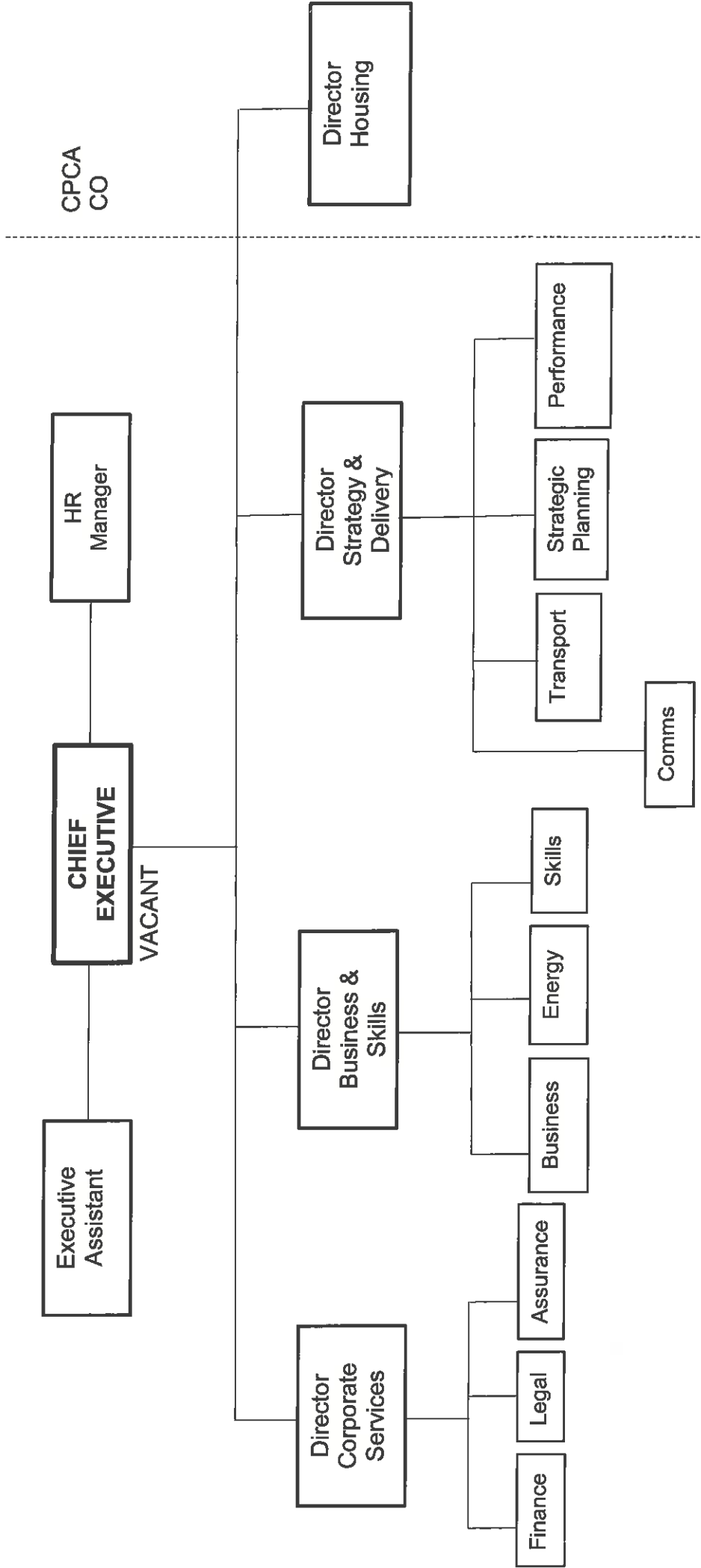
Appendix 2 - The New Combined Authority (First Principles)



APPENDIX 1

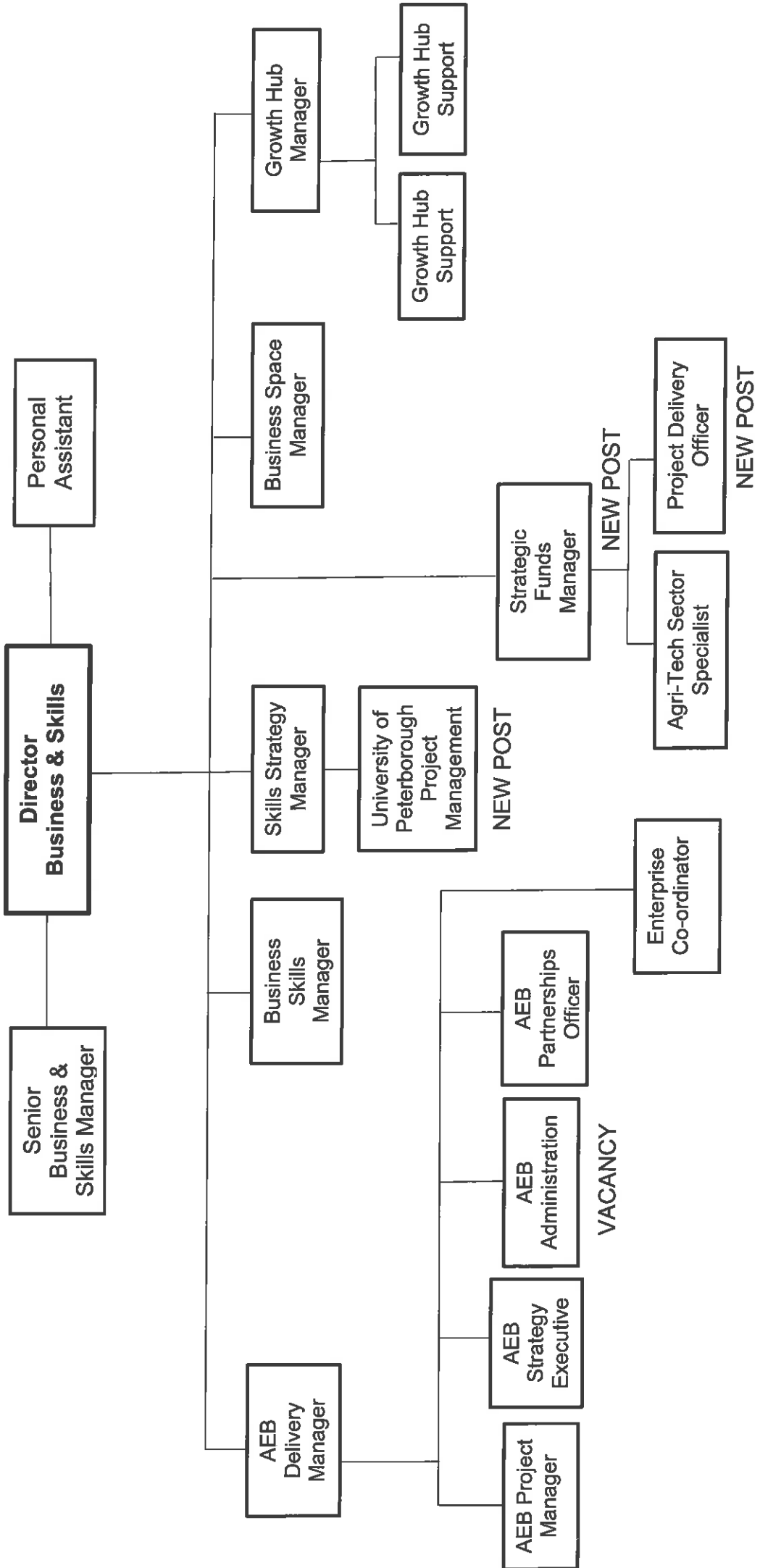
CAMBRIDGESHIRE AND PETERBOROUGH
COMBINED AUTHORITY

SENIOR MANAGEMENT



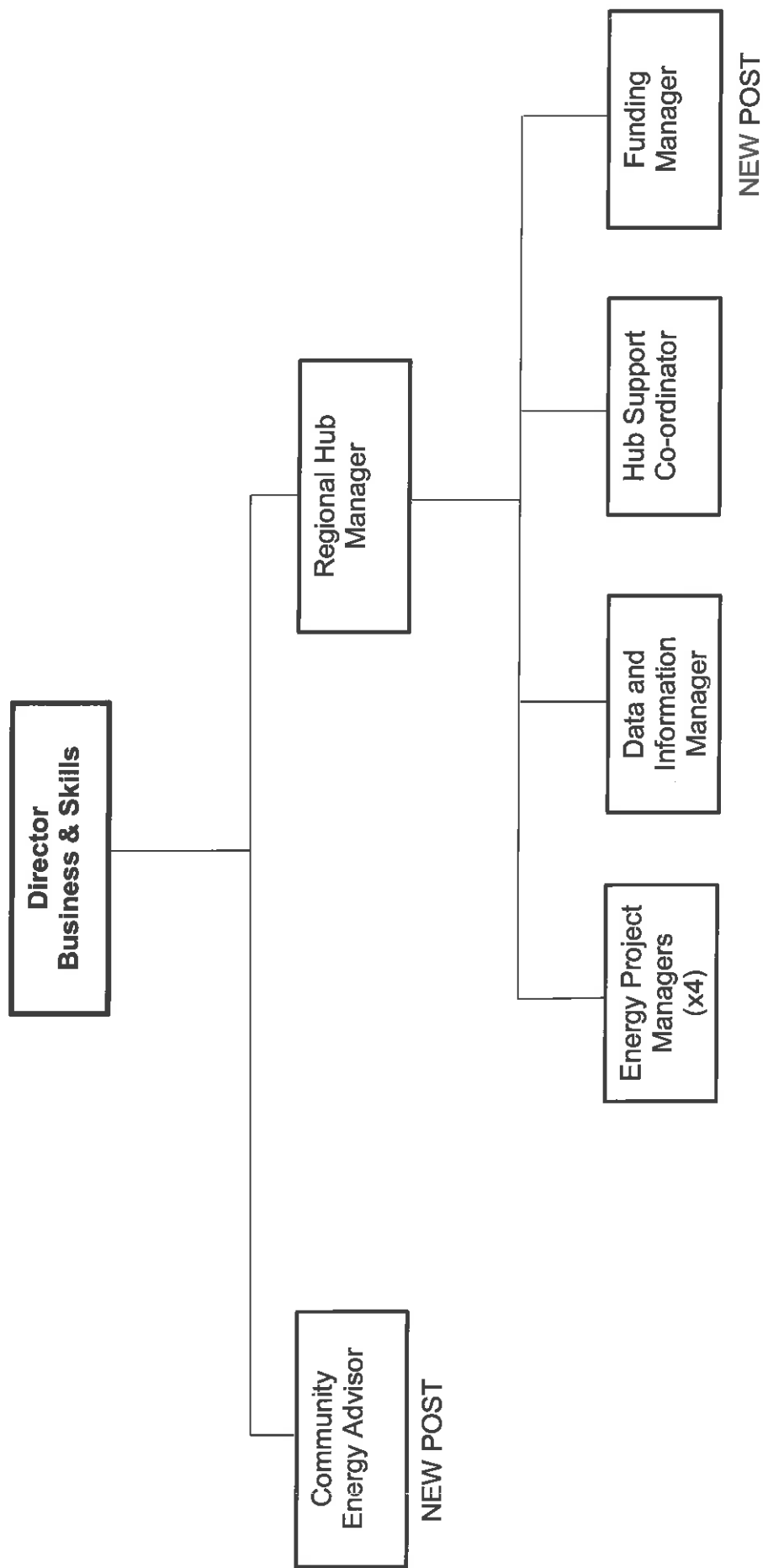
CAMBRIDGESHIRE AND PETERBOROUGH
COMBINED AUTHORITY

BUSINESS & SKILLS



APPENDIX 1

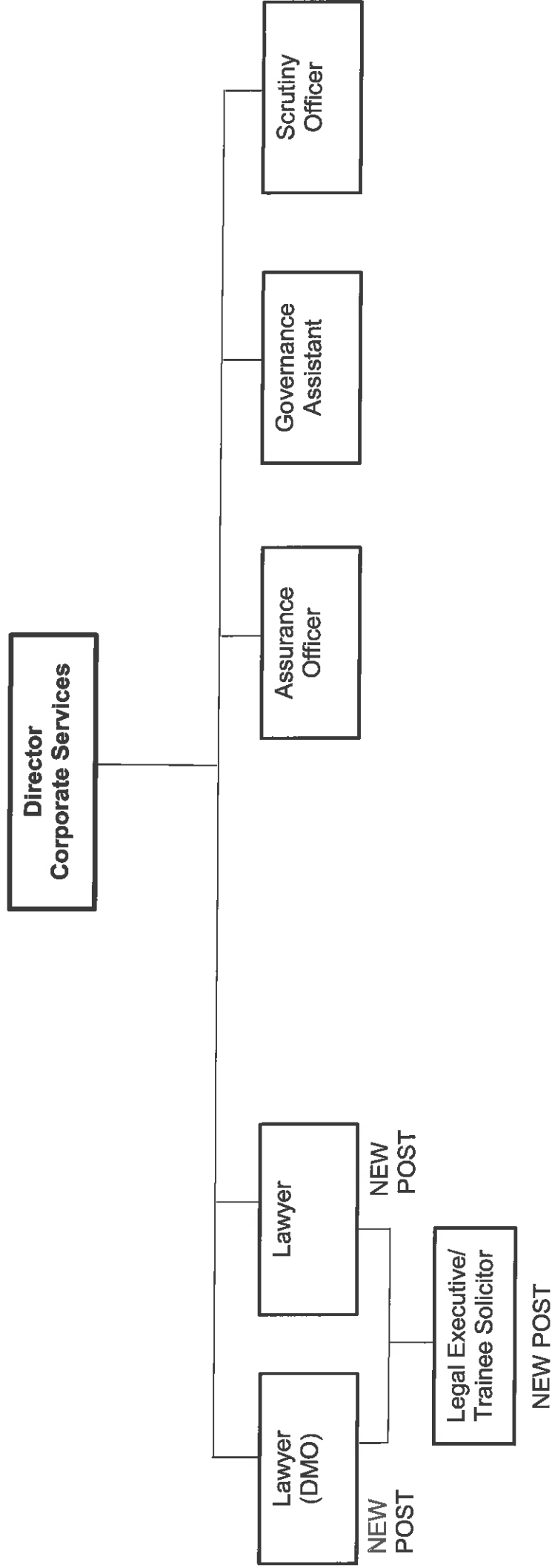
CAMBRIDGESHIRE AND PETERBOROUGH
COMBINED AUTHORITY
BUSINESS & SKILLS
(ENERGY)





CAMBRIDGESHIRE AND PETERBOROUGH
COMBINED AUTHORITY

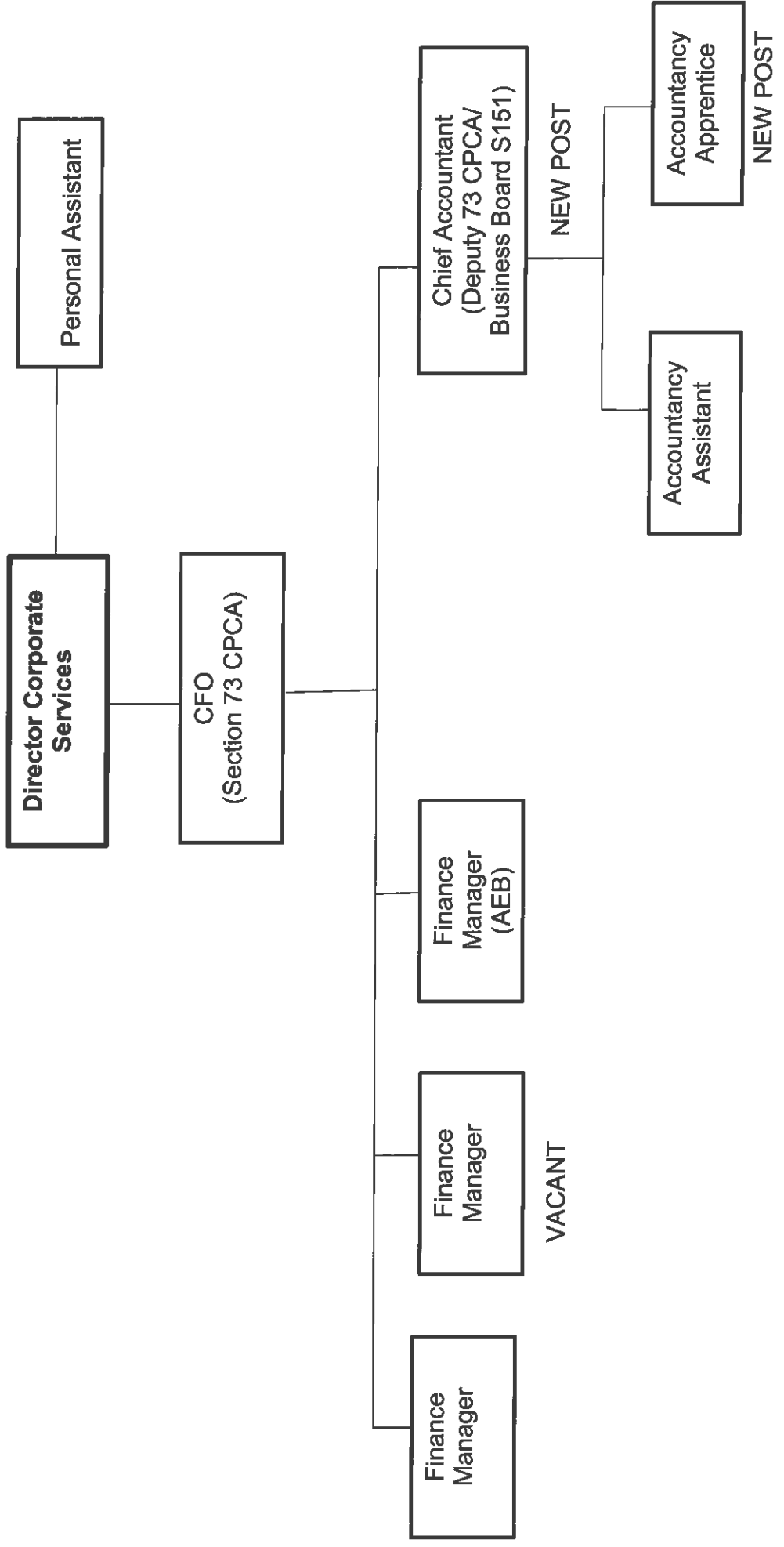
CORPORATE SERVICES
(LEGAL)





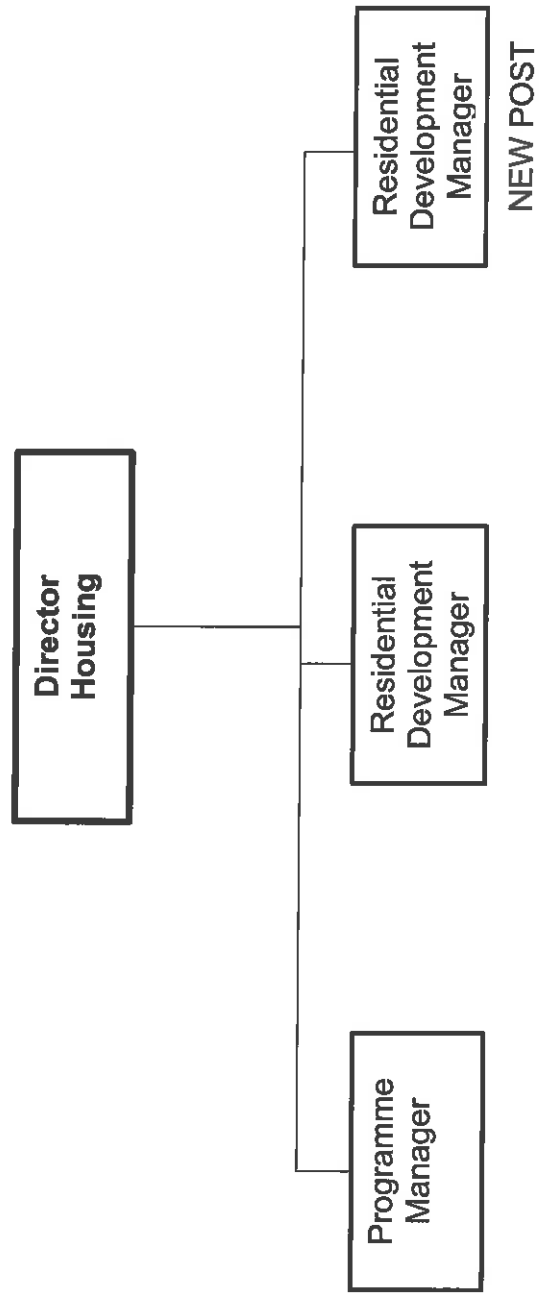
CAMBRIDGESHIRE AND PETERBOROUGH
COMBINED AUTHORITY

CORPORATE SERVICES
(FINANCE)



CAMBRIDGESHIRE AND PETERBOROUGH
COMBINED AUTHORITY

HOUSING

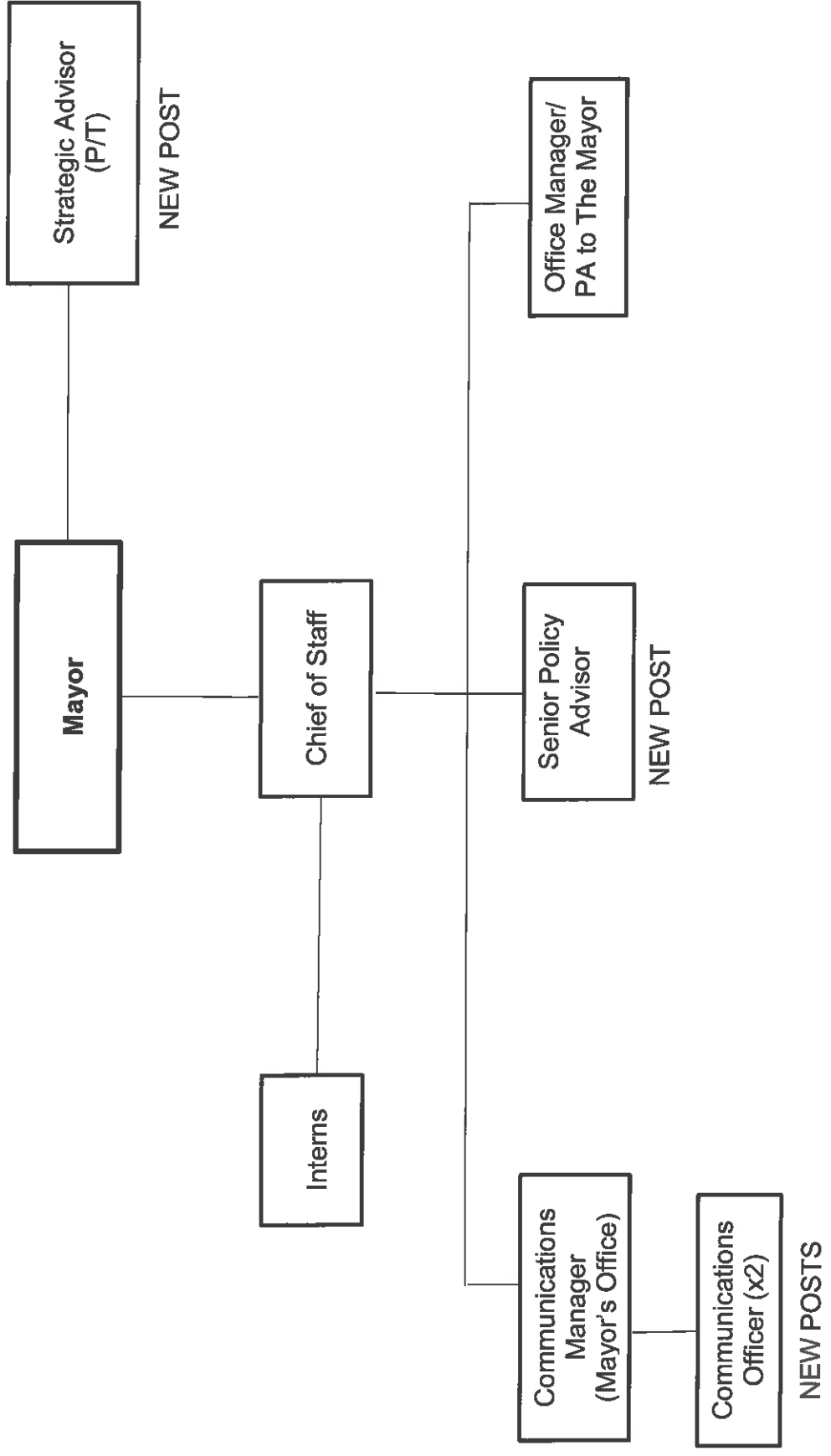




APPENDIX 1

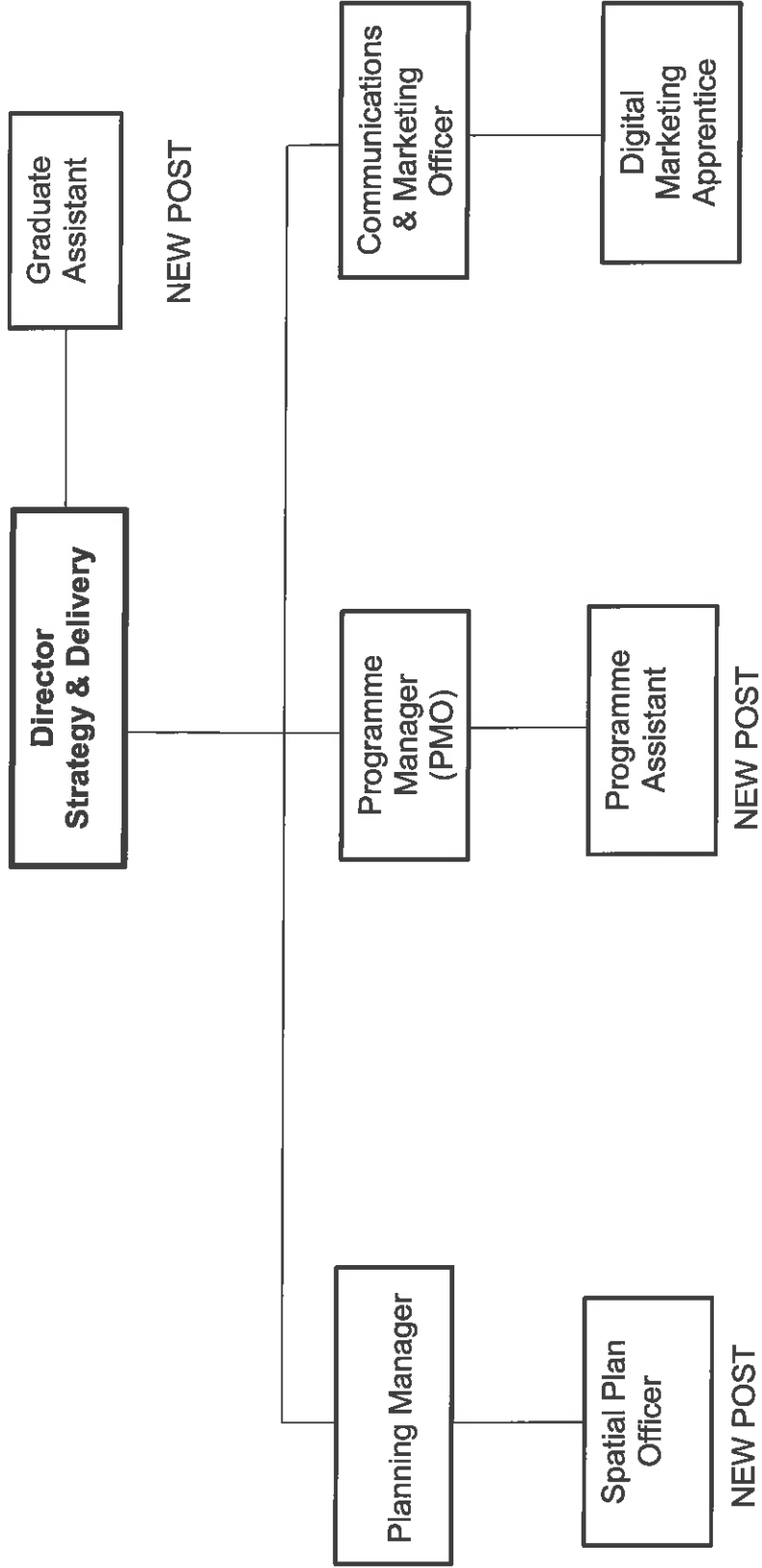
CAMBRIDGESHIRE AND PETERBOROUGH
COMBINED AUTHORITY

MAYOR'S OFFICE



CAMBRIDGESHIRE AND PETERBOROUGH
COMBINED AUTHORITY

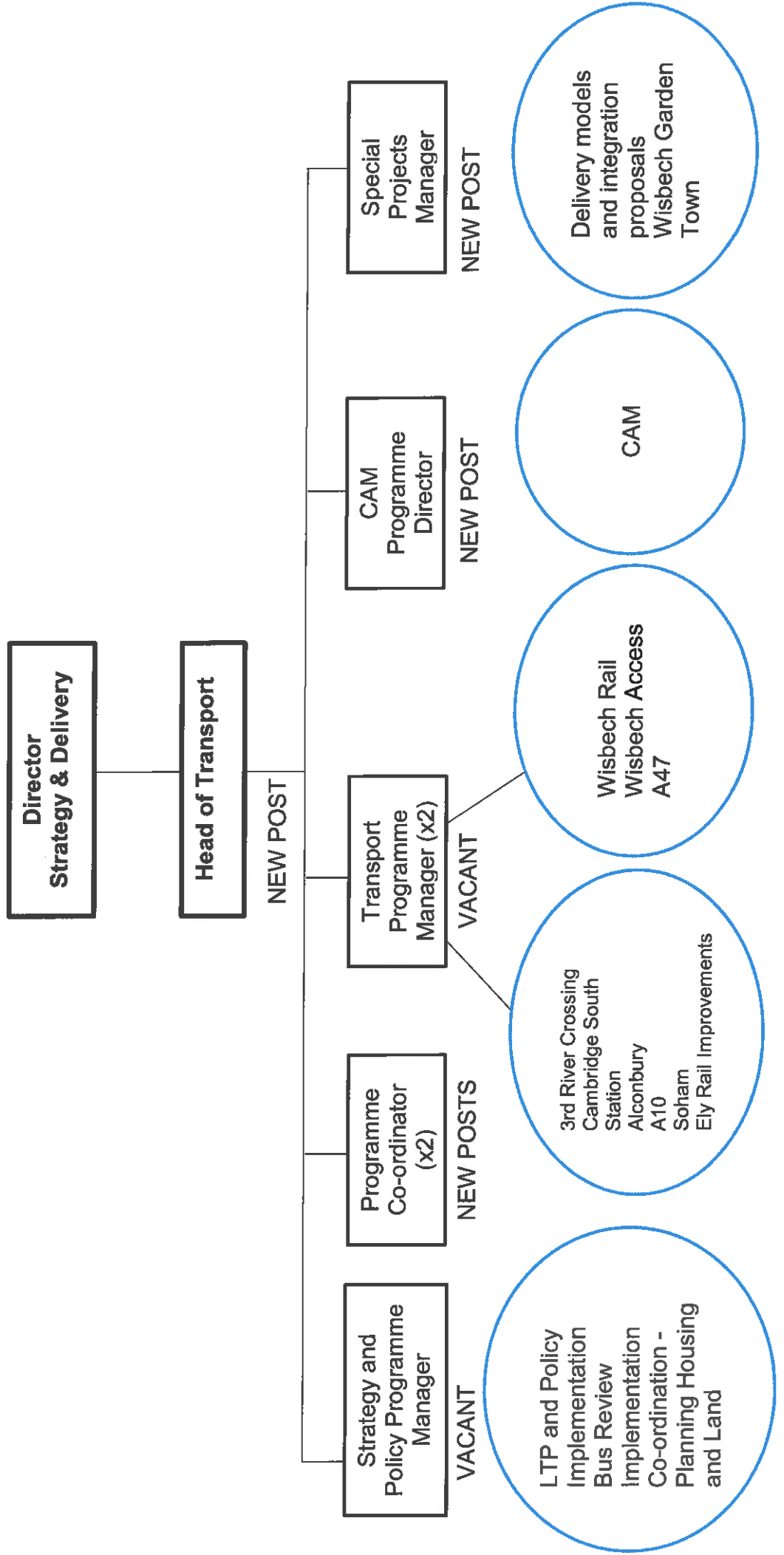
STRATEGY AND DELIVERY





CAMBRIDGESHIRE AND PETERBOROUGH
COMBINED AUTHORITY

STRATEGY & DELIVERY
(TRANSPORT)



APPENDIX 2 - THE NEW COMBINED AUTHORITY (FIRST PRINCIPLES)

The new CA will need to be:

- more realistic in 'what it can and cannot do' in relation to the delivery of the devolution deal and other priorities;
- focused on the achievement on these agreed priorities and outcomes;
- less risk averse to encourage innovation and fully understand the relationship between risk and reward;
- financially disciplined but encourage recycling of funds to maximise outcomes;
- open and transparent – making itself available to scrutiny and audit;
- clearly specify the role to be played by the CA in the delivery of its key priorities and projects eg. Commissioning, partnering and/or direct delivery.

The new organisation of the CA will need to:

- be flexible to meet the challenges above;
- focused on delivery of key priorities and positive outcomes to the community;
- promotes innovation and commercial acumen;