

## **6. ORGANISATIONAL CHANGE PROPOSAL (PM)**

### **1. Purpose of the report**

To highlight key issues and give background to the confidential Part B item on organisational change.

### **2. Key Issues**

- The Authority is faced with a flat-cash grant from Defra and rising inflation. Some savings are required because of this.
- In addition, the Authority's pay structure has fallen behind regional comparators meaning it is hard to recruit and retain key staff. This has particularly affected the performance of our Planning Service but other services are also affected. To be effective the Authority needs to be able to recruit and retain sufficient staff and not carry ongoing vacancies which result in a lack of delivery and existing colleagues having unsustainable workloads. To do this we need to implement a new pay strategy, which will require further savings to be made on top of those needed to address the flat-cash grant.
- The existing management structure of the Authority needs to be rationalised so that the CEO can operate at a more strategic level. As well as reducing the size of the management team, certain functions would benefit from being moved within or between Services to create better alignment, allow improved performance and offer up savings.
- A new, smaller, organisational structure is needed so that we can have an affordable organisation with a full roster of employees paid at the right rate and focusing on our core functions.
- To finance the new structure and pay strategy we need to both stop or change the way we do certain things and take a more commercial and enterprising approach to income generation.

### **3. Recommendation**

- 1. To support the proposal to commence formal consultation on organisational changes with discussion on the proposals and financial impacts to be held in the confidential part of the meeting.**

### **4. How does this contribute to our policies and legal obligations?**

Legally the Authority needs to have a balanced budget and these proposals are designed to achieve a long term financially sustainable position with an on-going balanced budget.

The proposals will mean we can deliver our statutory planning functions to a higher standard.

Overall there will be a reduction or change in what the Authority does, which has implications for delivery of the National Park Management Plan (NPMP) and Authority Plan. However, to not make these changes means that challenging recruitment and staffing issues will continue and get worse, which itself will impact on our ability to deliver our statutory duties, policies, legal obligations, Management Plan and Authority Plan.

## 5. Background Information

Our role is to speak up for and care for the Peak District National Park for all to enjoy forever. Our statutory purposes and duty focus on conserving, enhancing, understanding and enjoyment. We need to deliver our purposes and duty in a way that is resilient and affordable. To do this we need to be able to attract and retain the right people and for that we need to implement our pay strategy.

The pay strategy is based on pay modelling that originally took place in 2019 and has been updated in December 2022. The pay modelling shows the Authority's pay scales are below the regional public sector median for most grades. It is proposed that we recalibrate our pay scales so as to be able to attract and retain the right staff.

At the Authority meeting on 3<sup>rd</sup> February 2023, Members unanimously gave their support for the start of a process to explore ideas around a new structure.

Since 3<sup>rd</sup> February, there have been extensive briefings with Heads of Service, teams, volunteers and stakeholders. A comprehensive set of FAQs has been made available and an online mechanism was established to receive feedback from colleagues, volunteers and members of the public. Over 70 individuals or groups have submitted feedback. Feedback has also been received directly from a number of stakeholder groups and individuals.

A review of business-critical tasks has been undertaken to ensure there is continued delivery of contractual, statutory and vital services during a period when many people may have their attention diverted by the change process. An initial review of the potential impact of the restructure on delivering the National Park Management Plan and Authority Plan has been undertaken and concluded that, if implemented, these proposals would impact on our ability to deliver commitments in the Authority Plan and NPMP. In terms of the actions we deliver on our own in the Authority Plan, there would be no change to the action, but how we deliver the outcome of the action may change. In terms of the NPMP, there are a number of actions in aim 3, Welcome Place, that we would no longer have the staff resource to deliver. At an appropriate time, we would need to have discussions with partners around the future of these actions.

Once the restructure is agreed and completed there will need to be a fuller review of the NPMP and Authority Plan, which should coincide with the publication of long-awaited new guidance on Management Plans and a new outcomes framework from Defra. Consideration has been given to potential new website requirements. A detailed project management plan has been developed for the change process and ongoing communication has taken place with everyone involved.

## 6. Proposals

We need a smaller, more affordable staffing base that is focused on achieving high quality delivery of our core responsibilities. The changes I propose we commence formal consultation on will also increase cross-organisational working (reducing silos) and help create a more enterprising approach in some areas. The culture I am trying to build across the Authority is one of vision, ambition, dynamism and delivery. We need to be more confident, responsive and enabling. Significant additional resources are being put into the planning service to cope with higher demands and improve our performance.

Frontline services that directly deliver the NPMP have been protected as much as possible although new approaches will be needed in some critical areas such as visitor

engagement. Back office savings have been made within most teams providing enabling services based on finding efficiencies, new ways of working and reprioritisation. Resources will be invested in areas and activities that will enable the required transformation. The end result of the change process will be to have an affordable, resilient organisation.

Funding for the transformation will come from the recent one-off Defra grant and our reserves. Difficult decisions will be required but the need to make savings is unavoidable and what is being proposed will create an organisation that is fit for purpose now and able to build up again in the future.

Detailed proposals with financial information and impacts on people are presented to Members in the confidential Part B paper.

**7. Are there any corporate implications members should be concerned about?**

**Financial:**

Financial details are covered in the confidential, Part B report.

**Risk Management:**

Any change can be unsettling and largescale changes affecting many people risks having a negative effect on morale and productivity. There is also a flight risk during change processes. This risk is more acute for certain roles. The situation is being managed carefully and plans are in place for coverage of the statutory officer functions and other key roles.

Change processes of this scale risk public concern and negative publicity even when the changes are in the best interest of the Authority and conducted to high standards. There has already been some negative publicity about the potential closure of visitor centres.

Change processes of this scale consume significant management time.

Our ability to recruit during this process and even afterwards is not yet fully known.

**Sustainability:**

Potential changes would minimise impacts on sustainability work.

**Equality, Diversity and Inclusion:**

It is recognised that some of actions could have the potential to negatively affect people that are protected under the Equality Act, however the intended outcomes and benefits of the proposals plus the mitigations that will be put in place will mean the proposals are justified and overall beneficial. To evidence this, an Equality Impact Assessments on the proposed organisational changes will be submitted with the final Authority report.

**Climate Change**

There are no issues to highlight

**8. Background papers (not previously published)**

None.

**9. Appendices**

None.

**Report Author, Job Title and Publication Date**

Phil Mulligan, CEO, 20 April 2023.