

ITEM 7 REVIEW OF ORGANISATIONAL STRUCTURE

This report presents the existing organisational structure for reaffirmation, to allow recruitment of two vacant positions and to meet legislative requirements. As part of strategy development early in the new year the Council can consider whether there is a case for an adjustment to the structure at divisional level.

RECOMMENDATION

- 1 The existing Organisational Structure be reaffirmed.
- 2 Recruitment action be commenced for the vacant positions of Director Corporate Services and Director Community Services.

REPORT AUTHORISATIONS

Authorised by: David Farmer, General Manager

ATTACHMENTS

- 1 Current Organisational Structure for Confirmation
- 2 Report to Council 26 June 2017 - Change to Organisational Structure Pending Review by Incoming Council

BACKGROUND

On 26 June 2017 Council endorsed an adjusted organisational structure to move from a three Director structure to a four Director structure. Given the proximity to the September 2017 election it was decided to not make long term appointments to the two vacant positions but to fill them on an acting basis until the incoming Council could consider the matter.

The resolution of Council is shown below:

“A change in the Organisational Structure be made by removing the role of Director Corporate and Community Services and creating the roles of Director Community Services and Director Corporate Services.

The Director Community Services and Director Corporate Services be determined as Senior Staff positions in accordance with section 332 of the Local Government Act 1993.

The two new Director roles be filled internally in an acting capacity until the structure is formally reviewed by the incoming Council in accordance with legislative requirements.”

Over the past few months this structure has worked well and addressed the issues that were identified in the June report.

The acting arrangements have been successful to date and have given a number of staff across the organisation an opportunity to perform different and more senior roles. However, after an extended period there is a need for some certainty and there would be benefit in having staff in longer term roles.

A survey of staff with supervisory roles was conducted in August and comments overwhelmingly supported the four Director structure. A typical comment was *“The 4 tier executive structure provides a logical split of categorised services and provides practical groupings of divisions that are most closely and inextricably linked.”*

The incoming Council is about to commence a significant period of strategy development including the refresh of the Wollongong 2022 and development of a new Delivery Program and Operational Plan. This will not be completed until June 2018. Councillors will, however, have a clearer view of the collective strategic direction of the Council following the second set of planning workshops which are scheduled for February 2018.

The survey also asked staff about opportunities at deeper levels in the organisation and there were a variety of suggestions made.

PROPOSAL

It is proposed that the existing structure be confirmed. This allows Council to meet its legislative requirements on reviewing the structure. It will also allow the two vacant positions of Director Corporate Services and Director Community Services to be advertised externally and it would be anticipated that the recruitment actions would be able to be completed by Christmas. This will allow the bedding down of executive leadership in the organisation early in the term of the organisation.

As part of the organisational strategy development process early in the new year, the Council can consider whether the structure at Divisional Manager level meets the strategic directions of the new Council. Should a case for change be identified, adjustments can be made at that time via a further report to Council. The staff feedback already provided can be considered as part of that process.

CONSULTATION AND COMMUNICATION

A survey of staff with supervisory responsibility was undertaken in August of this year. This matter was discussed with Councillors at the briefing session of 16 October 2017.

PLANNING AND POLICY IMPACT

The Local Government Act (s333) requires that a Council review its structure within 12 months of an election, the consideration of this report meets this legislative requirement. Council can reconsider the structure at any time.

This report contributes to the delivery of Wollongong 2022 goal “We are a connected and engaged community”. It specifically delivers on the following:

Community Strategic Plan		Delivery Program 2012-2017	
Strategy		5 Year Action	
4.4	Our local Council has the trust of our community	4.4.1	Continue to build a professional, customer focused quality organisation

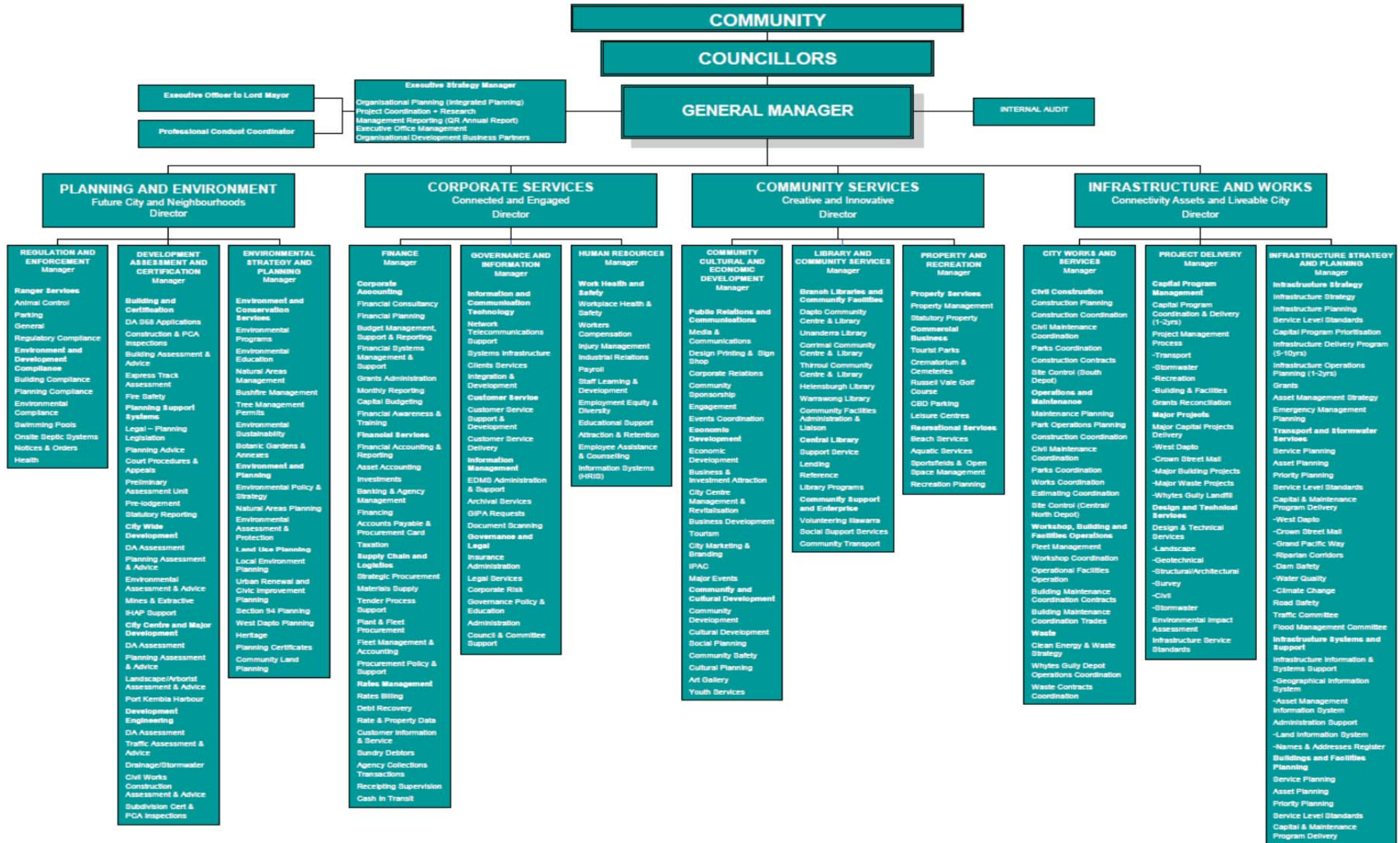
FINANCIAL IMPLICATIONS

The changes that were introduced by Council in late June will be included in the September 2017 Quarterly Review. Council continues to perform better than budget and it is anticipated that there will be no impact of the bottom line as a result of these changes.

CONCLUSION

Given the successful implementation of the revised executive structure since June it is recommended that this be confirmed and we move to recruit the two vacant Director positions. Council can consider any structural change at a Divisional level as part of its strategy development process early in the new year.

WOLLONGONG CITY COUNCIL ORGANISATION / FUNCTION CHART



ITEM 17

CHANGE TO ORGANISATIONAL STRUCTURE PENDING REVIEW BY INCOMING COUNCIL

This report considers an adjustment to the Organisational Structure to move to four Directors from the existing three. This is in light of Council being found 'Fit for the Future' and continued strong financial performance, the cessation of the merger proposal with Shellharbour City Council and the desire to continue to enhance the performance of the Council.

RECOMMENDATION

- 1 A change in the Organisational Structure be made by removing the role of Director Corporate and Community Services and creating the roles of Director Community Services and Director Corporate Services.
- 2 The Director Community Services and Director Corporate Services be determined as Senior Staff positions in accordance with section 332 of the Local Government Act 1993.
- 3 The two new Director roles be filled internally in an acting capacity until the structure is formally reviewed by the incoming Council in accordance with legislative requirements.

REPORT AUTHORISATIONS

Report of: David Farmer, General Manager

ATTACHMENTS

- 1 Existing Organisational Structure
- 2 Proposed Organisational Structure

BACKGROUND

Currently the Council has a three Director structure. Two of the Directorates have responsibility for three Divisions of Council, while one, Corporate and Community Services, has responsibility for 6 Divisions. This imbalance is imperfect, but was maintained when the current Council reviewed the structure when first gaining office due to the serious challenge of attaining financial sustainability and the pending 'Securing our Future' program.

It was envisaged that this structure would be reviewed when the 'Fit for the Future' target was achieved and Council could be more ambitious about optimising organisational performance and enhancing community outcomes. Council was declared 'Fit for the Future' in October 2015, however less than two months afterwards, the NSW Government unexpectedly announced the merger proposal of Wollongong City Council and Shellharbour City Council. This essentially precluded any major organisational changes and placed the Council in a holding pattern.

With the abandonment of the merger proposal in February 2017 and the announcement of the September 2017 Council elections, it was initially considered prudent to maintain the existing organisational structure and go to market to fill the vacant Director Infrastructure and Works position. More substantial organisational change would be deferred to the incoming Council, who have a legislative requirement to review the structure within 12 months of being elected.

However, the recent recruitment process for the Director Infrastructure and Works did not identify a candidate who fully met the specification. We sought to attract applicants for the role with broad leadership skills, using the NSW Government's Capability Framework as a basis for our recruiting criteria. The capability framework focuses on leadership and management skills and promotes transferability of staff in leadership across various arms of Government. LGNSW are currently working with councils, including Wollongong, on developing a tailored version for our industry.

Mr Greg Doyle has been acting in the role of Director Infrastructure and Works for the past six months, and in a short space of time has demonstrated significant change in establishing a constructive and collaborative culture as well as increasing the focus on stakeholder relations. It is proposed he be confirmed in this position as a redeployment at the same level. This then leaves his role of Director Corporate and Community Services vacant. This is an extremely broad and demanding role and it is difficult for this reason to effectively drive sustainable change at an Executive level.

In my current Performance Agreement, suggested by the Performance Review Committee and endorsed by the Council, is the requirement to consider a four Director structure with the incoming Council. A review of similar sized councils shows the majority having four or more directors including:

- Central Coast Council
- Sutherland Shire Council
- Penrith City Council
- Liverpool City Council
- Campbelltown City Council
- Blacktown City Council

PROPOSAL

There is an opportunity to test the effectiveness of the four Director structure in an interim way by making a structural change in splitting the Corporate and Community Services Department into two, and deferring the making of any permanent appointments to these positions.

Currently the Director Corporate and Community Services has responsibility for:

- Finance
- Human Resources
- Governance and Information
- Community Cultural and Economic Development
- Library and Community Services
- Property and Recreation

This is an extremely broad set of responsibilities for a large council. Whilst it was appropriate during the Securing our Future program, it is not sustainable in the long term. One simple response is to create two Director's roles.

Director Corporate Services	Director Community Services
Finance	Community Cultural and Economic Development
Human Resources	Library and Community Services
Governance and Information	Property and Recreation

An expression of interest (EOI) would be undertaken to fill the two new Director roles on an acting basis. There are a number of very capable staff in the organisation who could be considered for these roles.

It is envisaged that the incoming Council will undertake a more comprehensive structural review, which may involve more significant changes, hence the proposal that the two Directors role be filled temporarily via an EOI process. It is envisaged there will be a different model of administrative support deployed, and minimal additional administrative resources will be required. Therefore the net cost of this decision will be an extra Director's salary for approximately 6 months (around \$160k including on costs).

The incoming Council, as it considers its revised Community Strategic Plan and new Delivery Program, may wish to adjust this structure. It is not fettered by this report's recommendation, as no staff are in contracted Director positions apart from the currently contracted Messrs Doyle and Carfield. The proposal will also allow existing staff to have extended experience acting in a Director role and will also provide opportunity for other staff to act in Manager roles.

The increased Executive presence will assist in supporting a major organisational change program to be rolled out over the next 12 months which will focus on – striving for excellence every day, encouraging creativity and collaboration across the organisation to address emerging issues, and a focus that the decisions and actions we take now can have long term impacts.

CONSULTATION AND COMMUNICATION

This matter was discussed at a Councillor Briefing on 5 June 2017.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Wollongong 2022 Goal 4: "We are a connected and engaged community". It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2012-2017
Strategy	5 Year Action
4.4 Our local Council has the trust of the community	4.4.1.3 Continue to build a professional , customer focused quality organisation

However, the enhanced Executive resources will assist in progress towards all of the 6 Goals in Wollongong 2022.

RISK ASSESSMENT

This proposal mitigates against risk by increasing Executive oversight during a period of increasing change. Should the incoming Council wish to adopt a different approach, the use of existing staff filling the vacant roles via EOI means there are no legacy costs.

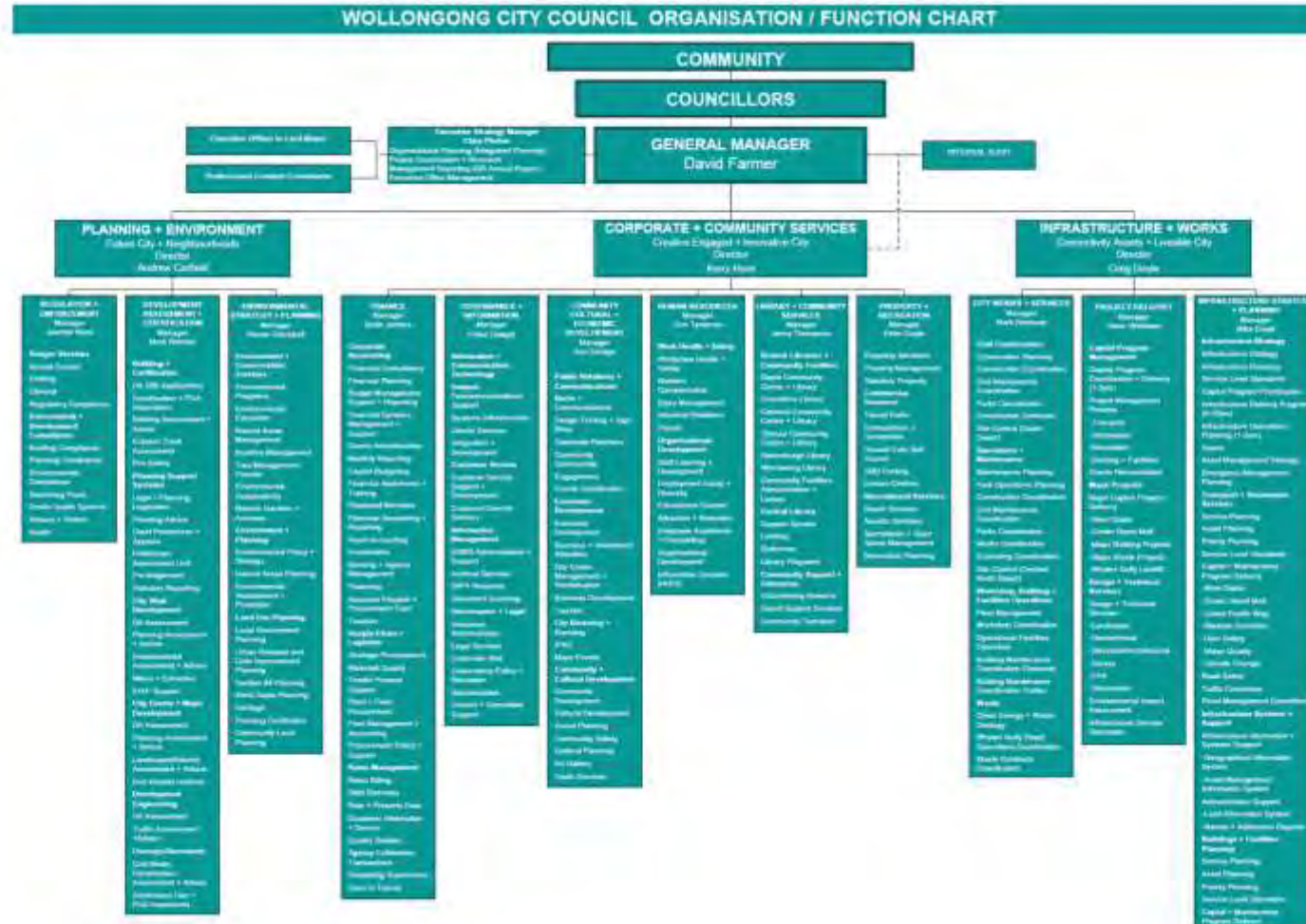
The Local Government Act s333 states "the Council must review, and may re determine the organisational structure within 12 months after any ordinary election of the Council".

FINANCIAL IMPLICATIONS

The cost of an extra Director role including on costs will be in the order of \$160,000 for 6 months. This can be funded within the General Manager's contingency which is contained within the Annual Plan and budget to be adopted tonight.

CONCLUSION

Wollongong City Council is at an exciting point with a strong financial and organisational platform to build on. A major organisational change program will be rolled out over the next 12 months in order to improve the performance of the organisation and provide enhanced community outcomes. The structural change proposed will allow increased Executive oversight during this period of change.





Z17/141680 Local Government Act - s332 Determination of Structure

- (1) A council must, after consulting the general manager, determine the following:
- (a) the senior staff positions within the organisation structure of the council,
 - (b) the roles and reporting lines (for other senior staff) of holders of senior staff positions,
 - (c) the resources to be allocated towards the employment of staff.

Proposed Executive Structure





Ordinary Meeting of Council
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Proposed Executive Structure – Linked to CSP





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Proposed Structure – Community Directorate





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Proposed Corporate Directorate Structure



Z17/141580

Proposed Structure – Senior Staff Positions

