

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Chief Executive

To

Cabinet

On

8th July 2019

Report prepared by: Alison Griffin, Chief Executive

Reconfiguration of corporate management

Policy and Resources Scrutiny Committee

Cabinet Member: Leader

Part 1 (Public agenda item) with the exception of Appendix 3 (confidential and not for publication by virtue of paragraphs 1, 2 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972)

1. Purpose of Report

Through the adoption of the Southend 2050 ambition, themes and outcomes in December 2018 and by strengthening the timeline at Cabinet on 25th June 2019, Councillors have set out an ambition programme for the Borough with a clear commitment to:-

- Improving Housing
- Tackling health inequalities
- Enhancing Southend's environment
- Improving skills
- Proactively managing the street scene
- A commercial approach
- Financial sustainability

The 2050 ambition and outcomes are challenging and for delivery to be successful a different culture will be required in the organisation. We will need to work differently and additional capacity will be needed to move these significant agendas forward with our residents, businesses and partners, at the same time as improving service delivery in the 'here and now'.

This report sets out proposals for a reconfigured corporate management structure which will:-

- Signify and underpin the cultural change required
- Drive the positive change that is necessary
- Provide the capacity needed to meet Councillors' ambitions and the desired increase in pace of decision making and delivery

2. Recommendations

- 1. That the reconfigured corporate management structure to spearhead the cultural transformation and increase capacity to deliver Southend 2050 outcomes be agreed as set out in sections 3.6 – 3.14 of this report.**
- 2. That the new reporting lines for third tier officers as set out in the report be agreed.**
- 3. That consultation be undertaken with the officers affected in line with employment law and the Council's HR policies.**
- 4. That the arrangements for individual officers as detailed in Appendix 3 (Confidential Part 2), be agreed**
- 5. That external recruitment is arranged for the vacant Executive Director posts.**
- 6. That as part of the Council's commitment to developing its own talent, the vacant Director posts are advertised on an internal basis initially, and only if posts remain unfilled would the Council go to market.**
- 7. That the Chief Executive, in consultation with the Leader, be authorised to make further adjustments to the corporate management structure following the consultation process.**

3. Background

Rationale – why now

- 3.1 The current configuration of the Corporate Management Team was adopted in September 2018. The landscape has shifted significantly since then:-
- The Southend 2050 ambition has been adopted by Council and reviewed by the Joint Administration
 - Swan Housing has been agreed as the partner for developing Queensway
 - The Housing and Homelessness strategy has been agreed and includes a clear expectation that the Council will play a full role in market intervention and the supply of social and key worker housing, alongside reducing the likelihood of homelessness
 - A cross-Council approach has been implemented for managing operations across the Borough during peak summer and winter months
 - The national and regional landscape in health and social care (children's and adults) has increased in complexity and all authorities have seen an unprecedented rise in demand

- A partnership approach to tackling violence and vulnerability has been introduced to address the challenges of County Lines and child criminal exploitation and the exploitation of vulnerable adults
- Children's Social Care and Special Educational Needs & Disability (SEND) Services have been improving but need to strengthen further in order to achieve the highest outcomes for children and their families
- Health visitors have come back in-house as part of the 0-19 health offer
- Localities are developing to ensure residents can live healthy lives in thriving communities
- The NHS Sustainability and Transformation Plan (STP) has been referred to the Secretary of State
- A growth budget supporting the key priorities and outcomes has been set for 2019/20

3.2 Based on staff feedback and engagement the Council has adopted the set of values and behaviours that we need to demonstrate individually and collectively if we are to deliver the Council's Southend 2050 ambitions and outcomes with our partners. Corporate management have a critical role, with Councillors, in role modelling the values and behaviours in order to achieve the culture shift required. In addition, three Director posts have been covered by interims for some time and a more permanent arrangement is required.

Approach to organisational design

3.3 Given the context and the move to being an outcome focussed organisation, the days of a wholesale restructure which lasts for years is over. Instead the Council's officer structures need to be flexible and able to scale when necessary so that resource and skill flows to where the work and system demands. As a result the structure of corporate management will need to adapt in an iterative way if strong leadership is to be demonstrated, positive change driven, innovation encouraged, outcomes delivered with partners and risks managed appropriately. Designing the structure so it can adapt in an iterative way is also advantageous in that it makes it more resilient when officers move on.

3.4 The structure also needs to be designed to facilitate collaborative working and relationship building. This means recognising that matrix management across functional areas, convening, leading and coaching multi-disciplinary and agency teams will be the norm and therefore a required skill set for corporate management.

3.5 Given the current culture, working practices and structures, the challenges that need to be addressed are:

- Shifting from a traditional hierarchy with organisational layers of between 6-10 layers
- Lowest appropriate delegation level of decision making – made by trust/capability/risk not by seniority
- Moving from a rigid resource pool to a flexible one
- More focus on organisational/collective priorities rather than silo priorities
- More focus on empowerment and accountability
- Simple, fast and effective governance
- Ensuring co-design, innovation and agility are embedded as a default

A set of organisational design criteria will be used to 'test' proposals going forward. These are included in the table below.

Criteria
Establish consistency in layers and spans of control
Future design/shape of teams will: <ul style="list-style-type: none">• Align behind 2050 delivery• Maximise innovation and technology• Use co-design and collaboration as a default (e.g. citizens, partners, members)• Build in flexibility and agility• Use a strength/asset based approach• Apply learning and research from others
Apply organisational layers between 4-6
Apply organisational spans of control between 4-8 (this might be higher depending on the nature of the work e.g. high volume, transactional functions may be as high as 20)
Push decision making to the lowest/safest level
Apply groupings to mirror job families e.g. Strategic, operational etc (we will need to revisit these headings when the job family project is revisited)
Encourage self-managed teams and matrix management

Proposals

3.6 Given the desire of both Councillors and officers to drive this positive change for Southend-on-Sea at pace and with others, it is critical that the Council has the appropriate senior management capacity with the range of skills, mind-set, outlook and expertise needed to lead the outcome delivery phase. It has become clear that the current configuration of the Deputy Chief Executive posts is too wide ranging to provide the consistent strategic leadership capacity required on the major agendas councillors wish to see progressed. As a result we have had to use a mixture of consultants and interim arrangements and this is not sustainable or desirable for any prolonged period of time. The intention is to regroup responsibilities in the following ways to address this concern, providing the Council with the opportunity to attract talent and flatten the managerial hierarchy where appropriate:

3.7 **Deputy Chief Executive, Executive Director (Growth and Housing)** will be the strategic lead on growth for the Town, with a focus on regeneration partnerships, housing development and management, infrastructure and making the most of council assets to regenerate the Town. The Council is clear that it wants to see infrastructure led regeneration and an increase in housing supply that benefits and includes all residents and makes Southend a great place to live and work. So alongside this, this role will drive the skills agenda to increase employability and income levels for residents whilst meeting business needs.

The Deputy Chief Executive, Executive Director (Growth and Housing) will be responsible for housing, regeneration, business growth, planning, transport, infrastructure and skills. This role will be the strategic officer lead with South Essex Homes and registered providers, businesses, developers, colleges, universities and Transport East, and will be designated the Deputy Chief Executive.

3.8 **Executive Director (Neighbourhoods and Environment)** will be the strategic lead to ensure effective day to day operational arrangements and partnerships are in place to ensure the town is safe, clean and moving. Residents (and Councillors) want to see a greater focus on the public realm so they can take pride in their neighbourhoods and protect Southend's environment. This role will lead their teams by using the latest technology and seamless coordination to manage our summer and winter peak pressures as well as the daily street scene. This role will also take a strategic lead to ensure residents and businesses are safe through a proactive approach to licensing and enforcement from Private Sector Landlords to the food industry.

The Executive Director (Neighbourhoods and Environment) will be responsible for community safety, street cleaning, waste and recycling services, pollution issues, highways, parking, parks and open spaces (including crematorium and cemeteries), regulatory services including private sector housing, town centre management and CCTV. This role will be the strategic officer lead with the police, fire, private sector landlords, the business improvement district and other location based business associations.

- 3.9 **Executive Director (Children and Public Health)** will be the strategic lead on adopting a strengths based approach to children and public health services, recognising the importance of universal services to improving outcomes and working in partnership across systems to deliver outcomes for children and families. The biggest impact public health can have on our communities is with our children and young people and this combination of services will enable our 0-19 integrated approach to health services to become fully integrated with other services for children. This increased strategic capacity will also help to continue to drive the further improvements needed in children care services and SEND services in order to deliver the outstanding outcomes for children that Councillors would want to see.

The Executive Director (Children and Public Health) will be responsible for children services, youth offending service, learning and education, early years, SEND and public health. This role will be designated the statutory Director of Children Services (DCS), and will be the strategic officer lead with Schools, Children Centres and health services for children.

- 3.10 **Executive Director (Adults and Communities)** will be the strategic lead on adopting a strengths based approach to adult and community services recognising the importance of universal services such as culture and leisure to improving wellbeing and quality of life for the adult population. This role will lead the Council's work alongside communities and provide the appropriate support through their leadership for communities to thrive and be resilient. The role will lead our work with the NHS and Voluntary Sector to embed and manage localities (community based health, care and wellbeing services). This role will also be responsible for ensuring incidents of homelessness are minimised.

The Executive Director (Adults and Communities) will be responsible for adult social care, integration and partnerships, homelessness and social inclusion, cultural offer including leisure, libraries, museums, art galleries and music. The role will be the strategic officer lead with health, cultural partners and the voluntary and community sector and will be designated the statutory Director of Adult Social Services.

- 3.11 **Executive Director (Finance & Resources), Executive Director (Transformation) and Executive Director (Legal & Democratic Services)** roles will remain unchanged except their titles will change from Strategic Director to Executive Director. The Director for Digital Futures will now report to the Executive Director (Transformation) to ensure the Town's and Council's transformation takes full advantage of the opportunities technology can bring to the way services are designed and the Council does business.

- 3.12 The seven Executive Director roles with the Chief Executive will form the corporate management team, providing the managerial leadership for Council officers. They will be expected to take a corporate lead on creating the conditions and culture for outcome delivery as well as lead their services. They will role model collaborative working through building effective relationships and strategic connections within and outside the council. The increase in capacity will mean that all Executive Directors will be expected to work effectively with Whitehall, regional and national agencies and partners to secure investment, spot and implement opportunities for joint working and leading edge practice which benefits Southend residents and businesses. They will also be in a better position to manage risk more effectively.
- 3.13 **Director and Heads of Service roles** - given the above proposals and the organisational design criteria it will become more common place to have a range of grades reporting into a manager, this is part of moving away from a rigid hierarchical structure to a flatter more flexible one. It will also ensure some of the key operational services such as highways, open spaces and street scene are closer to the senior management team. It will be essential that all managers have the ability to lead and manage across traditional service and organisational boundaries, working in an agile way that encourages staff to innovate and take managed risks.

In considering Southend 2050 and Councillors' priorities it has become clear that we need additional capacity at a director level for both Housing and Property if we are to deliver the outcomes. Therefore it is proposed that a Director of Housing Development is created, responsible for Housing strategy and delivery and reports to the Deputy Chief Executive, Executive Director (Growth and Housing), and a Director of Property and Commercial is created responsible for strategic use of council assets to assist with the housing challenge, corporate landlord function, major projects and commercial property portfolio to generate return for investment in services, reporting to the Executive Director (Finance & Resources).

- 3.14 Having worked with residents to articulate the 2050 ambition, the Council requires additional senior capacity aligned to the values and behaviours to ensure outcomes are now delivered. These proposals will require additional investment over time but are critical if the Council is going to put itself in the best position to realise resident, business and Councillors' ambitions. Southend-on-Sea Borough Council through sustained and prudent financial management over many years has put itself in a position where it can invest in priority areas now to make a real difference for the town.

4. Other Options

- 4.1 No changes are made to the current corporate management arrangements. The risk in this option is that the two deputy chief executive roles become increasingly unwieldy and will increase risk exposure both for the Council and individual post holders.

- 4.2 Councillors identify a different set of roles to increase the senior leadership capacity of the organisation. The Chief Executive as Head of Paid Service would need to be satisfied that these roles would enable the Council to deliver the outcomes, manage risks effectively and meet its statutory requirements.

5. Reasons for Recommendations

- 5.1 The recommendations enable the proposals and rationale for the proposals set out in section three of the report to be implemented. The recommendations will ensure, provided the Council is successful in recruitment, to deliver Councillors' priorities and manage high risk services more effectively.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map

As set out above in section 3.

6.2 Financial Implications

1. If the new posts within the Corporate Management reconfiguration proposal are recruited to in the latter part of 2019/20 then there is likely to be a net cost of up to £50k including all oncosts, which can be funded by the Councils 2019/20 contingency. The full year net cost of the Corporate Management reconfiguration proposal is likely to be around £300k in 2020/21 and around £370k in 2021/22.
2. These costs include all relevant oncosts and will vary slightly between years dependent upon internal recruitment and the 90% development rate applicable to all senior management posts. The funding for 2020/21 and latter years will be part of the annual long term budget setting process and compensatory savings will be identified including a reduction in consultancy and interim use.
3. The permanent recruitment to the proposed senior management structure will allow for the release of interim agency use and consultancy use alongside various internal interim and acting up arrangements. In addition, the increased senior management capacity will mean that key strategic projects such as Better Queensway will be overseen by this cohort and therefore will not require equivalent senior capacity. However, specialist advisers will still be required as and when necessary to progress these vital strategic projects.
4. Overall it is likely that that this approach could release savings in interim agency and consultancy staff in the region of £100k to £125k pa. In addition, it is estimated that the senior management time that will need to be dedicated annually to the delivery of the Better Queensway project alone would be in the region of £55k to £65k pa. The proposed additional senior management capacity will therefore allow the appropriate senior management time allocation to these strategic projects. As permanent recruitment progresses the relevant cost reductions will be managed

through the routine in year budget monitoring and the annual long term budget setting process.

5. The proposed reconfiguration will also enable a pace for change and the pump priming investment in respect of the Southend 2050 Ambition and should allow for earlier assessment and delivery of various investment/disinvestment proposals to support the required outcomes for the Town.
6. In addition the proposal will lead to a financial strain on the pension fund of above the £100k threshold that will require a Full Council decision. This one-off cost can be met from the Business Transformation Reserve.

6.3 Legal Implications

Employment law requires consultation with the officers affected by these proposals. The Officer Employment procedure Rules in Part 4h of the Constitution (which incorporate the provisions of the Local Authorities (Standing Orders) Regulations 2001 and 2015) require the appointment of Chief Officers to be dealt with by the Appointments & Disciplinary Committee.

6.4 People Implications

As detailed in **Appendix 3** (Confidential Part 2) there will be a change in role for some current Directors and these will be considered through the HR processes in consultation with the individuals and Trade Unions in line with Council policies. Recruitment of the vacant Executive Directors and Director posts will commence once this structure is agreed.

6.5 Consultation

Initial conversations have taken place with those staff directly affected by these proposals and the senior leadership group of the Council has been briefed.

Further consultation with staff and trades unions will commence following Cabinet's consideration of the proposals.

6.6 Equalities and Diversity Implications

The Council's HR policies that will be used to drive the implementation of these proposals have been subject to a full Equalities analysis.

7. Appendices

Appendix 1 – Current Senior Management Structure

Appendix 2 - Proposed Senior Management Structure

Appendix 3 - (Confidential Part 2)