

Report of Chief Executive

to
Cabinet

on
28 June 2016

Report prepared by the Chief Executive

Proposed Amendments to Senior Management and Departmental Arrangements

Relevant Scrutiny Committee: Policy & Resources
Executive Councillor: Councillor John Lamb
Part 1 Public Agenda Item

1. Purpose of Report

This report seeks approval for amendments to the senior management structures and departmental arrangements to reflect continuing reductions in staff numbers, budget pressures and the need to consolidate the public health service in the wider Council structure.

2. Recommendations

- 2.1 It is recommended that Cabinet supports the proposed amendments to the senior management numbers and structures and, subject to no substantive adverse response to consultations, delegates implementation of the proposals to the Chief Executive in consultation with the Leader of the Council.
- 2.2 That the Chief Executive be delegated the authority to make the necessary adjustments to responsibilities and duties as a result of these changes and that appropriate amendments be made to the Constitution to reflect the new senior management structure once implemented.
- 2.3 Note that the Chief Executive will bring forward a second report in the Autumn to address the outcome of the review of the public health function and to address other structural issues to facilitate recruitment and retention and succession planning.

3. Background

3.1 The Current Senior Management Structure

The current senior management structure was approved and put into place in 2006. When approved the structure consisted of 20 officers – the chief executive, four

corporate directors and fifteen heads of service, together with a joint appointment with the PCT for the Director of Public Health. This structure replaced one comprising the chief executive, six directors and 17 assistant directors.

In 2006 this senior management structure was one of the slimmest in English unitary councils and has remained so since. The structure has been slimmed since 2006, firstly in 2008 with the deletion of the post of Head of Revenues and its services absorbed within the post of Head of Finance & Resources. The structure was reduced again in 2012 with the deletion of the post of Head of Policy and Performance and the functions transferred to other heads of service. The senior management arrangements were last amended in 2013 when the Corporate Director for People replaced the previous two Director positions responsible for Children and for Adults. The Public Health function was also incorporated into the Council, from the NHS, at that time.

The senior management arrangements have operated effectively, delivering consistent improvements in service. Whilst each of the corporate directors leads a group of linked services each also contributes to the management and delivery of corporate activities. Heads of service are also expected to make similar contributions.

The current structure comprises two outward facing service based departments and one department which delivers both customer facing services and corporate support for the whole operation. The Director of Public Health currently reports to the Chief Executive.

In line with other upper tier councils, the director roles are corporate, leading a range of services, and not tied to specific disciplines. The statutory roles of monitoring officer and chief finance officer are specified at head of service level and have direct reporting lines to the chief executive as head of paid service. The membership of the chief executive's Corporate Management Team comprises the chief executive, the three corporate directors, Head of Legal & Democratic Services (the monitoring officer), Head of Finance & Resources (the chief finance officer), the Head of People & Policy, and the Director of Public Health.

The chief executive has, over the years, monitored the scale and capacity of the senior management structure to ensure that it is capable of delivering the appropriate management and leadership for the organisation in line with service pressures, outside advice and requirements and the need to address and deliver against corporate pressures such as current financial contractions.

At an establishment of 18, including public health, the current senior management capacity remains at a very competitive size in comparison with other English unitary and metropolitan councils.

This paper, and its recommendations, is brought forward now for two reasons:

- in recognition of the continuing reduction in overall staff numbers as a result of successive Government Spending Reviews and the continuing pressures and the need to make savings.
- To reflect the recommendations from the Peer Review of Public Health, carried out last Autumn, and to embed more effectively the public health service within the Council.

This paper, and one to follow in the Autumn, is also designed to start to address issues of retention and succession planning as advised in the Corporate Peer Review of 2015.

These recommendations reflect practice in some other upper tier councils. These recommendations are tempered by the need to maintain both clear specialist leadership and also overall management capacity to adequately identify and deliver the increasingly demanding and time consuming corporate fiscal and service challenges. If approved and delivered the senior management structure will, again, be one of the leanest in English upper tier local government.

3.2 The proposed revised structure

It is proposed that the current post of Corporate Director of Corporate Services be deleted and that the Chief Executive assume line management responsibility for the range of services currently delivered by the department.

It is also proposed that the Public Health service be reviewed and redesigned to reflect the recommendations of the 2015 Peer Review of Public Health, to rationalise the commissioning and data management functions, and to ensure a core structure which best reflects the statutory roles and focuses on the specific needs of the borough. This review will further develop the opportunities for public health to provide leadership and integration within the Council and plan and cope with recent and pipeline reductions in available resources.

Given the significant challenges currently being experienced, particularly driven by funding reductions, and the known continuing funding and service challenges to be faced over coming years, these recommendations are designed to minimise structural and operation disruption which would be caused by wholesale redesign (and which is not proposed as necessary in any case) and also to maintain sufficient senior corporate capacity to lead and drive and manage the changes and savings without undue risk to services. The challenges facing the Council will drive the need for continuing transformation to ensure that we are fit for the future. Therefore, as these recommendations are implemented there will be a need to consider the implications for the effective and continuing corporate leadership and advice on major corporate projects and activities, organisational development and morale, finances, and planning for retention and succession.

These proposals, whilst properly reflecting the overall reduction in capacity of the organisation and maintaining equity and proportionality in staffing reductions, will reduce the capacity and resilience of the senior leadership team. In supporting these recommendations the Council must pay heed to the need to review the way it operates, the expectations it places on officers, the working partnership between officers and Members, and the need for clear Member support for their officers. The current programme and debate on the future role for the Council and the town gives the opportunity to develop new approaches to reflect this continuing reduction in overall capacity.

A further report, to be brought forward in the Autumn will consider how to bolster leadership capacity in middle management to support these revised arrangements,

and also to provide career development opportunities which will help address talent retention and progression as well as allow for succession planning.

Future reports will also need to consider how the Council will manage proposed changes to its responsibilities for education and for further integration with health functions.

The proposed structure will comprise:

1. Chief Executive & Town Clerk

This post will be supported by:

Head of People & Policy
Head of Legal & Democratic Services (Monitoring Officer)
Head of Finance & Resources (Chief Financial Officer)
Head of Customer Services

2. Corporate Director for People (comprising the statutory roles of director of children's service and director of adult social services)

This post will be supported by:

Head of Children's Services
Head of Adult Services and Housing
Head of Learning (bringing together all child and adult education)
Joint Associate Director of Integrated Care Commissioning

3. Corporate Director for Place

This post will be supported by:

Head of Planning & Transport
Head of Public Protection
Head of Economy, Regeneration & Tourism
Head of Culture

The Director of Public Health and the public health functions will be incorporated within these arrangements following the proposed review.

4. Other Options

4.1 There are other options which could be considered.

Given the slim and competitive current senior management structure the Council could decide to not amend and reduce the number of senior management posts, allowing continued capacity to address and deliver the

challenges facing the Council. This alternative option would, however, not reflect the continued reduction in staffing overall within the Council as a result of financial challenges.

The Council could decide to not review and refresh the public health function but this would not address the recommendations of the Peer Review and would not properly ensure the targeted and effective functioning of the service.

The Council could carry out a complete review of the entire senior leadership structure but this is not, in my opinion, necessary, and would cause unnecessary and potentially damaging uncertainty and disruption to the delivery of services. A wholesale review would also ignore that the current and proposed structures reflect best practice across unitary councils.

5. Reasons for Recommendations

- 5.1 The Council last approved alterations to the senior leadership team and structure in 2013. Since that time the Council has continued to experience marked reductions in its finances and has approved budgets which have continued to reduce the overall staff complement. The Council has also incorporated the public health function, transferred from the NHS, and has allowed it to embed within the organisation. The Council invited the Local Government Association to carry out Peer Reviews into the corporate operations of the Council, and into the functioning of its public health function in the Autumn of 2015. These recommendations are intended to ensure that the overall reductions in staffing are also appropriately reflected in the senior structure, that the peer review recommendations to review and resite the public health function are carried through, that specific activities within the public health function which relate to similar activities elsewhere in the Council are better aligned, and in a report to come forward in the Autumn, that the Council begins to address issues of retention and succession.

6. Corporate Implications

6.1 Contribution to Council's Vision & Corporate Priorities

This report particularly addresses the goal to ensure that the Council continues to be an excellent organisation, ensuring equity of approach to staffing, financial stewardship, service delivery and planning for the future.

6.2 Financial Implications

The implementation of these recommendations will incur one-off costs relating to the deletion of the post of Corporate Director, and the possibility of some additional one-off costs as a result of the review and potential restructuring of the public health function. These costs will be offset by staff cost savings resulting from the reviews. It is proposed to fund these one-off costs from the transformation reserve.

6.3 Legal Implications

The Head of Paid Service is charged with advising the Council on the appropriate resources and structures needed to deliver statutory functions and the Council's own priorities.

These proposals do not affect the legal requirements for employing a Director of Public Health and delivering a public health service.

6.4 People Implications

This report is intended to minimise the overall disruption to staff and service delivery. These proposals will however, if implemented, make one post redundant and will have implications for a number of posts and the allocation of responsibilities in Public Health. The Council's HR policies will apply in the production of proposals for consultation and in managing any resultant implications.

6.5 Property Implications

There are no property implications.

6.6 Consultation

Consultation will be carried out following the decision by the Cabinet on the proposals in this paper.

6.7 Equalities and Diversity Implications

This proposal will, if implemented, reduce the gender balance on the senior leadership team. There may be some other adjustments to balance following the refresh of the public health function but appropriate equality and diversity assessments will be undertaken as part of that review.

6.8 Risk Assessment

There are risks associated with the proposals contained within this report.

Reducing the senior leadership team complement by one director will reduce the overall capacity to provide leadership, management and resilience in what is already a small leadership team. Risks will arise in the identification, planning and delivery of the corporate and service budgets and in the management of corporate initiatives. These issues will need to be offset by a reprioritisation of workloads across the leadership team, and by councillors; by proposals to be brought forward in the Autumn to bolster middle management; and by the occasional and selective use of specialist advice.

Reviewing and refreshing the public health function may have short term implications for staff morale and focus but these should be offset by a service better prepared and more resilient to the reductions in resources, better co-ordination and integration with other council and health functions and a clearer

leadership focus and prioritisation. Involvement by the regional leads for Public Health England will help minimise disruption.

6.9 Value for Money

The current senior leadership structure is one of the leanest in unitary local government and, as a result, provided excellent value for money. The Council regularly carries out a market review of the competitiveness of its senior salaries and this evidences that the current structure, and consequently the proposed structure, provides value for money.

The Review and refresh of the public health functions and structure will focus the available resources on statutory requirements and local priorities, ensure that particular activities will be aligned with similar activities in other parts of the Council, and address the funding reductions intimated by Government.

6.10 Community Safety Implications

Any community safety responsibilities associated with the affected roles will be aligned to the proposed revised management arrangements.

6.11 Environmental Impact

There is no environmental impact from these proposals.

7. Background Papers

7.1 The background papers which inform this report are the Corporate Peer Review report, produced and provided to the Council by the Local Government Association in October 2015, and the Public Health Peer Review report produced and provided to the Council by the Local Government Association in October 2015.

8. Appendices

8.1 There are no appendices to this report.