

Southend-on-Sea Borough Council

to
Cabinet
on

20 September 2016

Report prepared by Robert Tinlin, Chief Executive

Agenda
Item No.

Amendments to Senior Management & Departmental Arrangements

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

1. Purpose of Report

This report seeks approval for amendments to the senior management structures and departmental arrangements, following from the report in June 2016, to consolidate and align public health functions within the wider Council structure and to position the Council's senior management arrangements to address future budget and society challenges, Council priorities, and the need to plan for recruitment, retention and succession planning.

2. Recommendations

It is recommended that

- 2.1 The revisions to the senior management structure set out in this paper be agreed.
- 2.2 The Public Health function is incorporated within the Department for People as described in this paper.
- 2.3 Employment titles are amended as described in this paper and that an additional management level be introduced in order to provide additional leadership capacity and to support staff retention and succession planning.
- 2.4 The detailed allocation of functions and implementation of other arrangements is delegated to the Chief Executive, in consultation with the Leader of the Council, subject to no substantive adverse response to consultations.
- 2.5 Appropriate amendments be made to the Constitution to reflect the new senior management structure once implemented.

- 2.6 The Chief Executive will develop proposals in respect of senior officer remuneration (including the new management level) and considered by the Council's PRP Panel later in the year.**

3. Background

- 3.1 At its meeting in June 2016 the Cabinet considered and approved a proposal to reduce the senior leadership complement by one post and supported a proposal for the chief executive to bring forward a review and redesign of the structure and positioning of the public health service together with proposals for amendments to the senior leadership arrangements to support recruitment, retention and succession planning.

3.2 Proposed revisions to the senior leadership arrangements

The purposes behind these proposals are, essentially, twofold:

- to ensure that the scarce resources available to the Council, especially in terms of senior leadership, are focussed on how best we can support the future well being of the borough, and
- best plan and manage the structures and human resources available to the Council in terms of recruitment, retention and succession planning.

As outlined in the report in June, the senior leadership team is lean, particularly when compared to other unitary councils, and it is important that the Council makes most focussed use of it, supports it and, as the 2015 Peer Review recommended, ensures sound succession planning. In this way this paper also relates closely to the consultation work underway on "Our Town : Our Future" and links to changing environments in terms of relationships with health, education, demography and the wider economy.

The Corporate Peer Review, carried out by the LGA in October 2015, was very complimentary about the leadership of the organisation but highlighted some areas for consideration for the future. One was on succession planning to ensure that the identified strengths are not diminished. Other areas for consideration were to develop and focus on a transformational agenda, to better integrate the skill set from public health to support a transformational agenda, and to ensure that we have the skill set within our people for the future. The Peer Review into our public health service also identified the need to review the location and function of the service.

The focus and purpose of this paper is, therefore, to look to the future and attempt to put into place a sustainable officer leadership framework to help the Council address the future wellbeing of Southend and its continued role in the wider sub region.

The arrangements proposed in this paper attempt to avoid unnecessary change and disruption to the organisation whilst delivering greater focus on the economy, health, education, skills & training, the overarching opportunities which should come from our digital future and thus providing opportunities for the support to our services for children and adults. These are the elements of transformation which, together, should help drive a better Southend. Internally,

these proposals are also intended to reinforce the benefits of alignment of functions and of greater integration, such as with public health, intelligence, and digital work; that transformational work will be co-ordinated within a realigned role within the Department of the Chief Executive, with our people at its heart.

The proposed revisions are built around three service departments People, Place and Chief Executive.

The Department of the Chief Executive will take a more streamlined and strategic form. It will comprise three divisions. In addition to those for Finance & Resources and Legal & Democratic Services the current People and Policy division will assume a wider role incorporating the customer contact centre functions and responsibility for organisational transformation and be renamed as Transformation.

The Department for People will retain its divisions for Learning, Adults & Housing and Children. The current division responsible jointly with the CCG for joint commissioning will consolidate responsibility for commissioning of services for public health alongside other commissioning activity as Strategy & Commissioning. Further work will be done on how most effectively to assimilate the public health analyst and social services and education data and intelligence activity to achieve enhanced effectiveness and efficiency. Management arrangements will also be developed to co-ordinate these intelligence activities with other similar functions across the Council. It is proposed that the public health activities are resited to become part of the Department for People to best achieve the greater integration identified in the Peer Review report.

The Department for Place will retain its current divisions for Planning & Transport and for Environmental Protection. In order to better place the Council in terms of its management and promotion of major regeneration activity, economy and business development, fostering greater synergies between culture, leisure and tourism, and maximising and integrating the potential benefits from digital investment and opportunities it is proposed that the other two of the four existing divisions be redesigned to optimise the Council's ability to achieve significant benefits for the borough. It is, therefore, proposed that the existing economy, regeneration & tourism division absorb the culture and leisure functions but relinquish business development to become Culture, Tourism & Delivery and that a new division focussed on the management and delivery of major regeneration works together with business development be formed and entitle Regeneration & Business Development. It is further proposed that the existing ICT support and development for the organisation, currently in Corporate Services, be relocated to the Department for Place to form a new division focused specifically on digital futures for the borough along with organisational ICT support and development. These changes will provide the Council with a powerful platform to drive the local economy and enhance the well being of the wider community. The Customer Contact Centre will be transferred to the retitled Transformation

division whilst the remaining, important, activities of the current customer services division will be aligned to other service areas to achieve optimum effectiveness.

These revisions of the leadership structure are also built on, and designed to support, other activity such as the proposals for an education board, devolution, sub regional activity (e.g. the LEP, South Essex Growth Partnership and the Hesselstine Thames Estuary Commission), health integration, investment and commissioning for digital infrastructure.

These proposals are illustrated on the accompanying structure chart.

3.3 Public Health

The Health & Social Care Act 2012 returned a leading public health role to local government and, in April 2013, unitary and county councils took responsibility for a raft of public health activity as well as seeing public health staff transfer to councils from the NHS. Along with a number of responsibilities this transfer gave local government an important opportunity to take a strategic lead for the health and well being of local communities, including the areas of health protection and improvement. The Director of Public Health (DPH) is a statutory role and should be the principal advisor on health matters. Over and above the mandated activity councils are empowered to define and take whatever actions they deem appropriate to improve and maintain the health of their communities. As with all other of our functions the operational structures and arrangements to deliver this public health responsibility lie with the individual authority.

In 2013, when the public health team was transferred, it was left as a single standalone unit reporting to the chief executive. The Peer Review team, in October 2015, recognised that this approach provided a straightforward transition. The Peer Review team went on to say that the time is right to consider how ... to maximise the benefits from the public health function ... to enable a greater impact on health improvement and health protection. It commented that the standalone nature of the service does not help public health to feel part of the council, either for public health teams or for other services.

If it is to be most effective the public health functions need to be as integrated as possible with other activities of the council and would, therefore, benefit from being a more integrated part of one of the larger departments. Given the limited resource base available to the public health team, the reducing Government grant for public health and the synergy with other activities it is also timely to consider how key elements of the public health functions can best align with other similar functions.

This paper proposes that the public health function be integrated within the Department for People to ensure that wider integration, particularly aligning with children's and adult services, housing, other health activity and commissioning, get greater efficiency and synergy with other like activity and leadership support.

The Peer Review team recommended a greater clarity of role, function and resources. To this end, and to optimise scarce resources and skills, the commissioning activity to obtain services will be transferred to the integrated commissioning team, set up to commission service delivery for both health and social care functions. The definition of need and solution, the client side, will remain with the core public health team.

A strength of public health, across the country, is its evidence based approach to its responsibilities. The available resource is, however, small and the council also has similar data analysis and intelligence resource in other parts of the organisation. In order to optimise the available resource, to build resilience into the public health data analysis function and to better ensure evidence based planning and action it is proposed to work to align and co-ordinate the data, analysis and intelligence activity across public health, people and corporate support under the stewardship of the Director for People, DPH and Head of People & Policy (using existing job titles).

In 2016 the school nursing service was transferred to the council. At present the service is operating within the public health team. The workload of this service has changed significantly over the years and is heavily skewed to individual case work at present. The team has an important input into child safeguarding as well as being influential in health screening and the ongoing health and welfare of our children and the transfer with public health and the currently commissioned health visitors service to the Department for People will allow opportunities for greater integration and impact to be explored.

The Peer Review team recommended that the council addresses the areas of clarity of role and purpose, vision and leadership, priorities, focus and outcomes, and influence. To these ends it is proposed that the core functions and focus of the Director of Public Health and the core public health team focus on the three domains of system leadership plus public health protection and improvement. The current senior leadership complement comprises a Director of Public Health and a Head of Health Development. There is residual overlap and duplication from the inherited NHS approach and this paper seeks to provide some differentiation and focus to best utilise scarce specialist resource and to deliver on the Peer Review advice.

System leadership & Health Protection

Within the Department for People the DPH will be the lead on public health and be responsible for the delivery of the public health functions. The DPH will have responsibility to provide the vision, leadership and clarity (for the council and its partners) on how best to address and promote the health of our residents and community, in essence to be its champion. The DPH will, at least in part, deliver this by better aligning the public health priorities with the Council's corporate plan and priorities and in making sure that these are communicated and embraced by the wider community and partners. The DPH will also deliver this through an annual business plan which will be able to identify the needs and priorities for the borough, define the proposed programme of work (along with clear milestones and outcomes), and influence the priorities of the Health & Well Being Board and critical partner organisations. The DPH will, therefore, be responsible for public health system leadership, policy and strategy

development, partnership and relationship development, statutory advice and support to the CCG/NHS. As part of this role the DPH will also have responsibility for health protection (ensuring that plans are in place by the council or others to manage risks, be they communicable diseases environmental hazards or major incidents) and working as part of the council's emergency planning team.

Health Improvement & Promotion

A major part of the council's responsibility lies in promoting the improvement in the health of the local population. Part of this responsibility lies in the commissioning of mandatory activity, e.g. health checks sexual health services etc. The responsibility for this and the other improvement and promotion work will be given greater prominence and emphasis in these proposals with a defined lead by a member of the senior leadership team, in this case the current post of Head of Health Development. This will give this activity the importance and drive needed to make a real difference to the quality of life in the borough and, particularly, to begin to make a determined inroad into the health inequalities of the town, to reduce demand on acute and emergency services, and to encourage the local population to take more personal responsibility for their health through their lifestyles. This division of the council, whilst an important part of the overall public health function and taking the lead from the DPH, will be responsible for developing and implementing programmes and campaigns to promote healthy lifestyles, to promote interventions to address health inequality and healthier lifestyles (e.g. on smoking, healthy eating, physical activity, obesity and long term conditions), to promote healthy environments and to develop better information and education on health. This post will work increasingly closely with the integrated commissioning teams and support the DPH in the wider public health activity as needed.

Under the leadership of the DPH greater emphasis will be given to encouraging the corporate responsibility for a healthy community within all parts of the council and its functions and with partner organisations, particularly to achieve the most impact and to avoid perverse decisions, actions and policies working against the overall goal of a safe and healthy community.

3.4 Leadership capacity in middle management

In reviewing the available leadership capacity in the Council it is important to recognise that, whilst the Council's senior leadership team is lean it has proven its resilience and ability to deliver services against shrinking resources. It is also supported by a strong set of group managers who, individually and collectively, are both a current strength and a future leadership resource to be nurtured and supported. The opportunity is available to modify the current strata and responsibilities in this tier of management and leadership to provide an intermediate level of leadership at this level which can both provide support for senior leadership whilst also giving a number of our senior managers the additional exposure, responsibility and experience to stimulate them, retain them and ensure that we plan for succession by making the leap to senior management more attainable and straightforward.

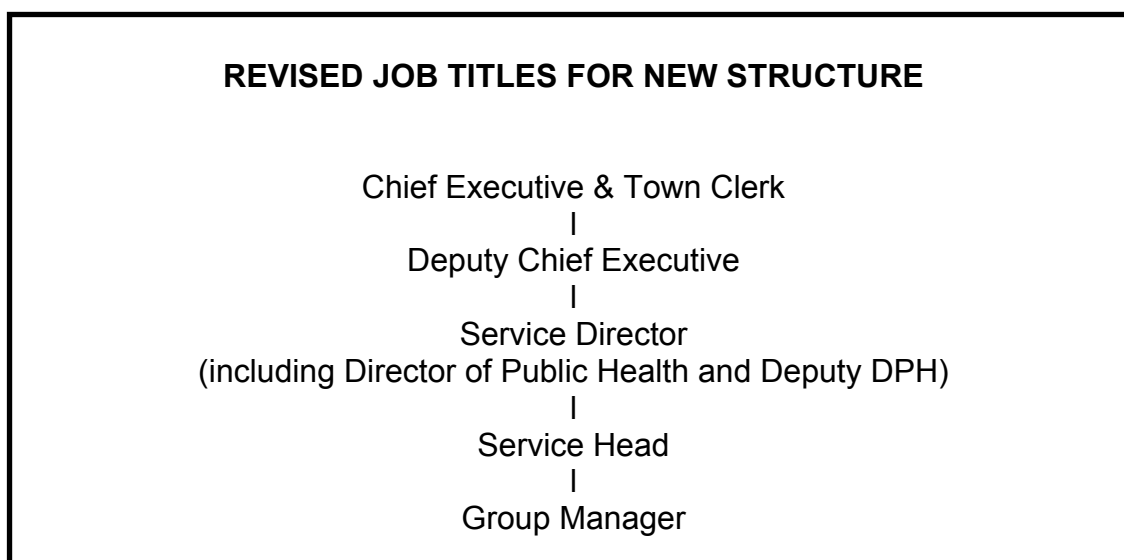
It is proposed to create an intermediate level of leadership between the existing group manager and head of service roles which will allow directors to delegate to and utilise a wider range of leaders for strategic matters whilst also giving a number of "middle managers" greater breadth of responsibility.

3.5 Revised Designations for Roles

The new leadership arrangements, the proposed introduction of an intermediate leadership stratum, and the roles and relationships of the differing levels when operating inside and outside the Council require a review and revision of post titles.

Whilst, since the current base structure was put into place in 2006, the corporate directors have in effect deputised for the chief executive as appropriate this restructure to move to two directors would benefit from formally acknowledging these posts as deputies to the Chief Executive and I propose that these two posts be redesignated as Deputy Chief Executive Place and Deputy Chief Executive People. This, in turn, allows for a more realistic recognition of the increasingly inherent position of the existing heads of service as de facto operational directors. Recognising them as such will reflect a trend in some other English local authorities and also resolve ambiguity when operating in the growing partnership arenas. This redesignation will also assist in credibility of these positions outside the Council and also with recruitment whenever we face that challenge, particularly given the challenges in a growing number of professions. This, in turn, will allow the proposed "mezzanine" leadership tier to utilise the "Service Head" designation and allow for differentiation and also to contribute to current and future recruitment and retention issues.

These new designations are reflected in the chart below.



With these redesignations, and the slimming of senior roles, comes a heightened expectation on those occupying each tier of leadership. The two Deputy Chief Executives will need to assume greater responsibility to support the Chief Executive in the strategic operation and direction of the Council whilst the retitled Service Directors will not only be responsible for the delivery of their

areas of service but also need to display wider corporate and departmental leadership and responsibility. Senior leadership cover, especially at peak holiday periods, will be provided from the wider group of Service Heads, Service Directors and Deputy Chief Executives.

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 nor address adequately the reducing resource base.

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 modifications 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 continues to face reductions in available finance and the leadership structure needs to both reflect the overall staffing reduction and be fit to cope with leading the organisation over coming years.

5.2 The Council received the public health function from the NHS some three years ago and now needs to more fully incorporate and integrate public health into the Council operational structure and further its purposes, as suggested by the 2015 Peer Review. These recommendations look to the core statutory and other functions of public health and embed them with other complementary activities.

5.3

6. Corporate Implications

Most of the corporate implications were identified in my report to the Cabinet in June 2016 but are restated in this report, with further comments, for the sake of completeness in considering these proposals.

6.1 Contribution to Council's Vision & Corporate Priorities

This report is aimed at ensuring that the Council remains and “excellent” organisation in terms of its approach to staff, financial stewardship, value for money, focus on priorities and service delivery and planning for the future. Underpinning the proposals in the report is the aspiration to ensure an organisation which is able to address the Council's Aims and priorities for health, the economy, education, skills and training and its environment.

6.2 Financial Implications

These proposals incur savings, one-off costs and investments in future leadership. The main ongoing saving arises from the deletion of one director post. There is a limited one-off cost for the redundancy of two senior officers as a result of the deletion of the director post and the redesign of a head of service post. These cost will be met from the Council's transformation reserve. The second redundancy facilitates restructuring functions without loss of a post but utilising different skills and background. It is anticipated that the costs of reforming the public health functions and creating a new, intermediate, leadership tier, will be met from within existing budgets and the saving made from the deletion of the post of Director of Corporate Services.

6.3 Legal Implications

The Head of Paid Service (the Council's Chief Executive) 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 ensure that the Council continues to address its legal requirement to employ a Director of Public Health and the delivery of a public health service alongside other statutory services.

6.4 People Implications

This report is intended to minimise the overall uncertainty and disruption to staff and service delivery across the Council. There are, however, some implications for some of our people. The decisions from the report at the last meeting of Cabinet saw one post being made redundant with the loss of one member of senior staff. These proposals make adjustments to a limited number of senior posts and significantly change one post. Discussions have been held with the staff involved resulting in one further redundancy, actioned under the delegated powers agreed by Cabinet on 28 June 2016.

There will be implications for some posts as the public health functions are realigned.

These proposals also provide opportunities for some to assume enhanced responsibilities and to gain further experience in management and leadership which will both develop their skills and contribute to efforts regarding retention of staff and succession planning.

The Council's HR policies will apply as these proposals are implemented.

6.5 Property Implications

There are no property implications.

6.6 Consultation

Consultation was carried out with all staff of the public health team and with all members of the Senior Leadership Team. Discussions were held with the Regional Director for Public Health England, the East of England Director for Public Health England, the Chief Officer for Southend CCG, the Portfolio Holder and the relevant Scrutiny Chairman. Contributions were sought from Southend Hospital and SEPT. As any detailed proposals are brought forward that might impact on staff these will be the subject of full consultation with staff affected and with trade unions in accordance with the Council's HR policies.

6.7 Equalities and Diversity Implications

Detailed equality assessments, as necessary, will be carried out as these proposals are implemented in detail. However, these proposals should not, of themselves, have direct implications for either equality or diversity. The impact of these proposals should provide more opportunity and support for progression and for greater experience. These proposals should also, by their objectives of greater integration and focus on the wellbeing of the borough, help the Council better address equality and diversity issues in the wider community.

6.8 Risk Assessment

As outlined in the report to Cabinet in June 2016, there are risks associated with the proposals contained across the two reports. However, the proposals contained in this report are designed to mitigate these risks by refocussing some activities and better aligning them, and also by addressing retention and succession planning issues and building greater support and resilience for senior leadership through the new, enhanced, tier of leaders.

6.9 Value for Money

The current senior leadership structure is one of the leanest in unitary local government and, as a result, provides 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 proposed senior leadership structure, including the new "mezzanine" tier, continues to provide value for money, utilising the ongoing savings incurred from the decision taken in June, safeguarding existing skills and allowing for enhanced senior capacity whilst providing development opportunities and more structured succession planning.

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 management arrangements. This will also allow for refreshed co-ordination of functions and roles across the organisation.

6.11 Environmental Impact

There is no environmental impact from these proposals.

7. Background Papers

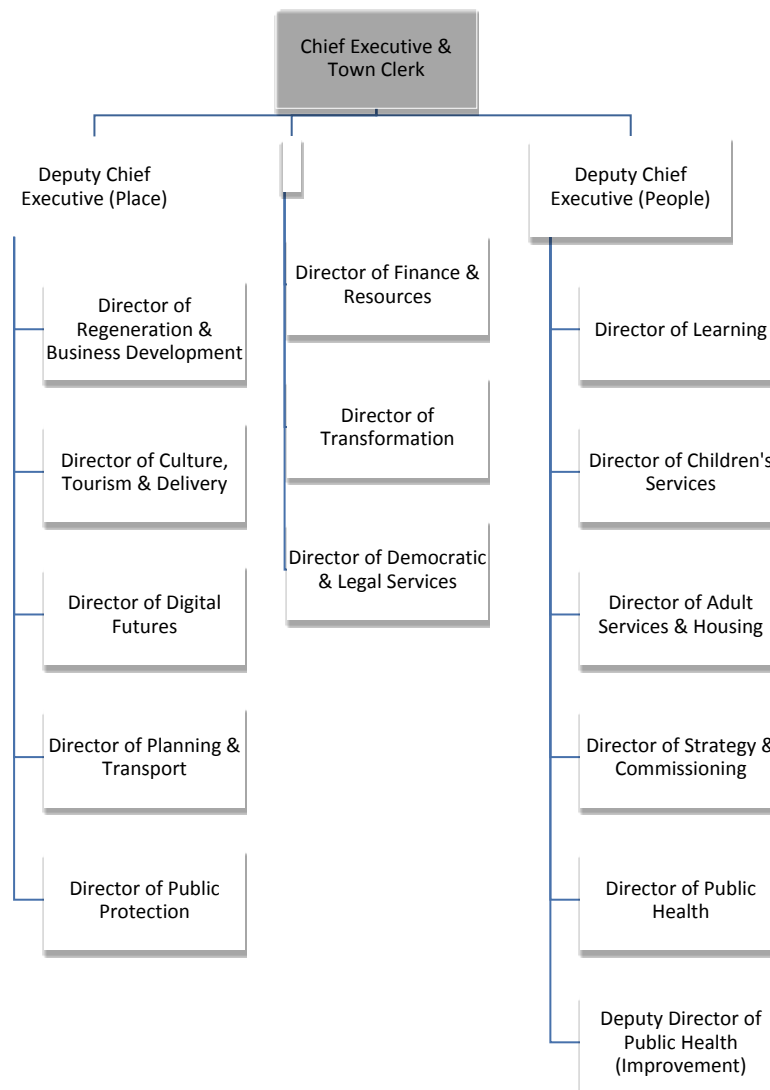
- Report to Cabinet at its meeting on 26 June 2016
- Minute of meeting of Cabinet held on 26 June 2016
- Report of Corporate Peer Review, LGA, October 2015
- Report of Public Health Peer Review, LGA, October 2015
- Fit for the Future, A review of the public health workforce, Public Health England, May 2016
- Directors of Public Health in Local Government - Roles, Responsibilities & Context, Department of Health, October 2015

8. Appendices

Appendix One : Revised Senior Leadership Structure

APPENDIX ONE

PROPOSED REVISED SENIOR LEADERSHIP STRUCTURE



Within the three departments there will be an additional level of leadership designated Service Head, comprising of a limited number of existing group manager posts given additional delegated responsibility in support of the Deputy Chief Executives and Directors.