

Employment Committee	Agenda Item No. 5
18th September 2008	PUBLIC REPORT

Contact Officer(s):	Gillian Beasley, Chief Executive	Tel. 452390
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Delivering the City's Ambitions – Proposed Senior Management Structure

R E C O M M E N D A T I O N S	
FROM : Chief Executive	
It is recommended that the Employment Committee:	
<ol style="list-style-type: none"> 1. Considers the changes to the senior management structure proposed by the Chief Executive. 2. Recommends any appropriate actions in response to the proposals prior to implementation by the Chief Executive under her delegated powers. 	

1. PURPOSE AND REASON FOR REPORT

- 1.1 The purpose of this report is to inform Employment Committee of the outcome of the consultation held in respect of proposals for a new senior management structure and to advise the Employment Committee of the action the Chief Executive intends to take as a result of that consultation in taking the new senior management structure forward. The Chief Executive has the delegation at 3.17.2 g to determine such changes, subject to the employment committee's delegation at 2.3.1.5.a to consider and recommend appropriate actions where necessary in response to such executive proposals.

2. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO
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3. BACKGROUND

- 3.1 Attached at Annex 1 is the consultation document which was published on 6 August 2008 and explains the background to the proposal for changes in the Council's senior management structure. In essence, the city as a whole as well as the City Council have many challenges to meet, not least the growth and regeneration agenda but also the need to ensure that services and the quality of life improve for all our communities and neighbourhoods. In the light of those challenges, the Leader and Deputy Leader of the Council asked the Chief Executive to review the fitness for purpose of

the current management arrangements, giving due consideration to the Council's ambitions for the city and the areas where the Council needs to focus its improvement efforts in service provision.

- 3.2 The consultation document was sent to all directors, heads of service and assistant directors, as well as other managers who were affected by the proposals. Before the consultation document was published, the Chief Executive saw all senior managers affected by the proposals personally so that they were aware of the changes proposed and the reasons for them. The consultation document was also sent the trade unions in accordance with the requirement to consult with them, and to the Cabinet and Group Leaders. The Chief Executive saw each of the group leaders before the consultation document was published to outline the proposals going forward.

4. Consultation Responses

- 4.1 22 consultation responses have been received from directors and heads of service. The level and detail of the consultation responses reflects the strong engagement and commitment of the directors and heads of service to this review. Both directors and heads of service have used this opportunity to look at the proposals broadly from an organisational perspective but also at their individual roles and how they might better deliver services within them. The level of engagement in this review is particularly encouraging for the future of the organisation and each director and head of service will receive an individual response to what they have proposed explaining how their ideas will be taken forward in the future.
- 4.2 For the purpose of this paper, the consultation responses are summarised in Annex 2 and this paper comments on the broad areas which emerged from the consultation and proposes how the Chief Executive's proposals will respond to those consultation responses.

5. Our challenges - where we are now

- 5.1 The original consultation document identified a number of challenges which are facing the city and the council. The focus that the consultation paper gave to those challenges generally fitted with the view of the directors and heads of service. Most senior managers recognise the need to focus on customer management, service and care and the need to further break down silos within departments to ensure good customer service. There was also strong support for the case made to move away from an operational focus at the corporate management team, allowing heads of service to focus not only on their own service area but also to work across functions using their capabilities more effectively within the organisation. Finally, there was strong support for the case made that members should be better supported. One member response advocated that in the emerging neighbourhood management structure the council should nominate officers as key contacts for local councillors on service issues. The Chief Executive thinks this is a sensible idea and it will be followed up through the implementation of the new arrangements.

6. The solutions - where we need to be

- 6.1 The consultation document identified a number of changes to the management structure as well as ways of working which the consultees were asked to comment on. There was good support and general welcoming of the proposals, with massive support for the Leadership Programme and Workforce Development initiative. Many senior managers recognise the need for them to develop their skills and capabilities in leadership and the Chief Executive has had further discussions with Stanton Marris, the organisation working with the council, to develop a specific programme to be rolled out in autumn to address leadership issues within tiers one and two of the organisation.
- 6.2 There was strong support for the proposals on senior management arrangements and the redefinition of the roles between the corporate management team and the broader senior management teams of heads of service and assistant directors. There is a real appetite from this tier to develop their capabilities and tackle the corporate challenges we face. There is a real feeling that the heads of service and assistant directors' skills are under-utilised as a cohesive tier

of management, and a welcoming of the case for senior managers to account through more robust performance management arrangements for the success or otherwise of their services.

- 6.3 In relation to specific changes in posts, there is general recognition of and support for the need for a new role of Deputy Chief Executive and for the repositioning of Human Resources within that division. The strong focus on growth and regeneration within that role was also welcomed, as well as the additional capacity that this role will give in supporting the Chief Executive.
- 6.4 The role of Executive Director Operations was widely supported but consultees quite rightly agree that further discussions are required as to how services from other departments, and particularly from those from Strategic Growth and Development, are migrated into the Operations Directorate. The heads of service particularly affected by these changes are actively in discussion with each other as well as directors affected about how this can successfully be managed. The Chief Executive expects those discussions to continue during the transition of those services into the new Operations Directorate. The contribution that the consultees have made to this discussion has been enormously helpful in ensuring that all matters are properly considered.
- 6.5 The new title of Commercial Services Director is welcomed, as is our planned migration away from the perception that City Services is uncompetitive or poor quality to a sharper, more commercial, focus in the future. Concern has been expressed that the Commercial Services Director does not appear as a member of the corporate management team and the concerns are accepted by the Chief Executive so that, for the time being, the Commercial Services Director will have a place on CMT to enable that director to engage with the broader strategic issues which affect his service, whilst the council considers a move to an arms length management organisational arrangement.
- 6.6 Some consultees commented on the proposal to create an Environmental Partnerships Director within Opportunity Peterborough, endorsing the city's aspirations to be an environmental capital and supporting this new focused leadership role.
- 6.7 In relation to the heads of service roles, there was broad support for the changes being proposed to the Head of Strategic Growth and Development and a positive indication that the heads of service that will inherit the operational remit will work effectively to ensure that those services are properly integrated into their own services. There was strong support for merging the operational neighbourhood services with the Head of Culture and Recreation which more effectively brings together service provision in neighbourhoods to allow us to plan for neighbourhoods and their services in a more effective and focused way.
- 6.8 Some responses to the consultation document made a case for the integration into one function of a greater number of "street pride" services – for example, the maintenance of street signs, street furniture and bus shelters could be better integrated with other street cleansing and litter management activity. The Chief Executive intends to deal with this as one of the issues to be addressed by the project that is considering migrating City Services into an ALMO, and do not consider it to be of such a size that it will trigger changes to senior management roles.

Moving on to regulation, some responses to the consultation document explained changes taking place nationally with respect to an agenda the government calls "the simplification of business regulation". Under this banner, efforts are being made to reduce the number and frequency of contacts made with businesses by different organisations with a regulatory mandate.

This agenda is intended to drive changes to local government's interface with business. It will involve a mixture of better information management and information technology; simplified and more coherent account management; more skilled utilisation of risk-based models to determine the lightness (or heaviness) of touch to be used with different businesses and sectors; and better planning and delivery of the front-line service operations themselves.

The structure proposed as an outcome of this review can facilitate these developments – they will principally affect the services within the new Operations directorate - but it is sensible to note now that there will be a number of further phases of change to be worked through as a consequence.

- 6.9 The Head of Planning and Development is a role which was the subject of a separate review, and it is supported in moving forward our planning and building control service to respond to the demands of our growth and regeneration agenda.
- 6.10 Head of Business Transformation – the retention of this role and the configuration of services within its remit has been the subject of some comment by the consultees. Those heads of service who come within Business Transformation, which will include the Head of Customer Service and the Head of Integrated Waste Strategy, will work in that configuration for a time-limited period whilst the rapid transformation of their services is achieved. So, for example, in Customer Services there will be a planned programme led by the Head of Customer Services for the migration of more frontline services into the One Stop Shop and Call Centre and at an appropriate time agreed between the Head of Customer Services and Business Transformation, that service will be transferred to the Operations Directorate where it will eventually rest. Those heads of services affected by this model broadly support this approach but have commented that they would want clear timelines and goals to be established whilst under the Head of Business Transformation. The Chief Executive fully accepts the need to have project plans in place and dates agreed for when these services will migrate into their appropriate directorate in the council.
- 6.11 The potential role of Chief Information Officer (CIO) is being considered as part of the ICT transformation programme rather than as an outcome of this review. The programme sets out a series of business outcomes and outputs to be delivered by an ICT managed service partner with a likely commencement date of next summer.

A tender process is under way, and the exact scope of work will be informed by this competitive process. The role of Head of ICT is principally an operational role at present managing the team and running specific work programmes whereas any new role of CIO would be more strategic, acting as the commissioner of services and as the principal architect to enable ICT to better deliver business benefit.

It was accepted that given the nature of the change programme currently underway in this area bringing ICT under the business transformation banner was a sensible interim step.

- 6.12 The role of Head of Strategic Finance and Performance Improvement is supported although certain comments have been made about the wide remit of this post. These comments are legitimate and it is proposed to address this through adding some more business support capacity to this team.

7. Other issues raised in the consultation

- 7.1 During the course of this consultation other issues have been raised by heads of service which merit some comment in this report to Employment Committee. Having said this, as previously stated, the Chief Executive will respond personally to all the points made by the heads of service in taking this review forward.
- 7.2 Chief Internal Auditor – A number of consultation responses have made a legitimate point about the need for the Chief Internal Auditor to have direct access to the three statutory officers i.e. the Head of Paid Service, the Section 151 Officer and the Monitoring Officer. The proposed senior management arrangements do not take away the ability for the Chief Internal Auditor to have access to those statutory roles. The management review positions the Chief Internal Auditor for day to day management purposes under the Head of Strategic Finance and Performance Improvement, but for his statutory audit role we will preserve that direct access to the statutory officers.
- 7.3 Strategic Growth and Development – some consultees have made a legitimate point that they have direct input into the growth agenda of the city. Some like the City Centre Director have a strong strategic contribution to make to the development of the city centre as well as an operational role in managing various aspects of it. It is clear that there needs to be a strategic group of heads of service whose roles directly input into the growth agenda to come together with the Deputy Chief Executive to ensure that their input into this agenda is properly captured, and so the Chief

Executive will task the Deputy Chief Executive with ensuring that these heads of services are better engaged with the growth and regeneration agenda.

- 7.4 A number of consultation responses looked at the role of the Resilience Team Manager and made the case for this role to include health and safety as well as operational risk management. The Chief Executive believes that this is a sensible extension to this role and will task the Executive Director Operations in looking at how this can be achieved.
- 7.5 The new structures show a change in the title of the Director of Adult Social Services and Performance. Through the consultation it has become clear that the new title ascribed to this role is incorrect and the role should be entitled Executive Director – Adult Social Services and Performance. This reflects the statutory role that this postholder has as well as the joint appointment and responsibilities to the Primary Care Trust.

8. Changes to be made as a result of the consultation

8.1 Having considered all of the consultation, the Chief Executive plans to make the following changes to the proposals set out in Annex 1 as follows:-

- (a) that the proposed change of title in the consultation paper “Executive Director – Adult Social Care” be changed to “Executive Director – Adult Social Services and Performance”.
- (b) that for the time being the Commercial Services Director is a member of the corporate management team with the understanding that this role is a full director role within the organisation.
- (c) that the new roles set out within the consultation document at paragraphs 4.1 are created and that the summary of proposed changes to posts at paragraph 4.3 are also implemented.
- (d) that Stanton Marris extends their leadership programme to the corporate management team and the senior management team consisting of heads of service and assistant directors and this will form part of the learning and development strategy within the council to enable the changes that the consultation paper envisages in senior management leadership to be realised.
- (e) that the proposals for moving operational services into the Operations Directorate and into Customer Services are further pursued as part of a transition plan and in discussion with the relevant heads of service whose roles are affected by the removal or addition of services to their roles.
- (f) that each consultation response submitted by the consultees is responded to and that ideas whose scope extends beyond the review are discussed in directorates and taken forward if appropriate.
- (g) that further work be done to ensure that members have proper support and points of contact within services under the new neighbourhood management arrangements. The Head of Customer Services and the new role of Head of Culture and Neighbourhood Services will be tasked with the responsibility to achieve this objective.
- (h) all members of council, through their political groups, will be briefed on the changes to the senior management structure.

9. ALTERNATIVE OPTIONS CONSIDERED

The Senior Management Structure could have been left in its current state. This option has not been pursued as the Chief Executive does not believe that the current structure enables the Council to meet its current challenges. Similarly, no alternative revised structure is being recommended, since after appropriate consideration and consultation, it is the Chief Executive's view that the proposed structure is the most suitable to enable the challenges to be met.

10. IMPLICATIONS

a) **Legal** – the Chief Executive has appropriate delegations to enable her to determine these changes having regard to the proposals of the relevant Cabinet Members for the services affected, and the Leader of the Council. Proper consultation processes have been followed, and where the proposals have an impact on specific individuals, appropriate legal advice has been followed. The actions taken by the Chief Executive in respect of the proposals are legally sound, and decisions have been taken in accordance with the City Council's HR policies and procedures.

b) **Financial**

The costs have been based upon the likely outcome of the review, and are in accordance with the Council's policies on Redundancy and Pensions. In addition it includes short term and one-off costs relating to the transition to the new structure.

Year	£k	To be financed:
2008/09	304	Savings in existing cash limits
2009/10	278	2009/10 MTFS
2010/11 – 2013/14	56 p.a.	Future MTFS
2014/15	Nil	

c) **Human Resources**

The review has been conducted in line with Council policies. Consultation was for a period of 30 days and the Trade Unions were formally notified. During consultation Directors and Heads of Services were given the opportunity to feedback their comments and questions. Responses to the review have shaped the Chief Executives conclusions which are captured within this report. Impacts on individuals will be managed in line with Council policy.

11. BACKGROUND DOCUMENTS

In accordance with the Local Government (Access to Information) Act 1985, background papers used in the preparation of this report were:-

None.

The individual consultation responses referred to in this report are the result of personal and confidential correspondence between Directors, Heads of Service, and the Chief Executive.

There is no obligation to disclose those responses in this section as they disclose exempt information, that is, information relating to, or likely to reveal the identity of an individual. As these are background documents, and not a part of the report, there is no obligation to include them in an exempt report – paragraph 8.1.2 of the Constitution – Access to Information rules – applies.

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