

SLOUGH BOROUGH COUNCIL

REPORT TO:	Cabinet
DATE:	18th July 2022
SUBJECT:	Senior management team restructure
PORTFOLIO:	Leader of the Council
CHIEF OFFICER:	Gavin Jones, Chief Executive
CONTACT OFFICER:	Gavin Jones, Chief Executive
WARD(S):	All
KEY DECISION:	NO
EXEMPT:	NO
DECISION SUBJECT TO CALL IN:	NO
APPENDICES:	Appendix 1 – Proposed management structure

1 **Summary and Recommendations**

- 1.1 This report sets out recommendations for how the Council's main functions are coordinated and appropriately managed. Various governance reviews have highlighted issues with the implementation of the Our Futures restructure, which has led to significant capacity issues in service delivery. The DLUHC commissioned governance review recommended a focus on bottom up service reform, the need to prioritise permanent and longer term recruitment for key roles and the need to significantly reduce reliance on external consultancy support to deliver "internal" services.

Recommendations:

Cabinet is recommended to:

1. Approve the change from a six directorate model to a seven directorate model with changes to the areas of service delivery under each directorate;
2. Note the report to Employment and Appeals Committee with a recommendation to full council to change the chief officer and deputy chief officer roles and delegate authority to the chief executive to consult and make changes to the structure in response to the consultation.

Reason: Various recent reports have highlighted the need to significantly improve capacity and capability in the delivery of services. This requires a new structure at chief officer level and an increased capacity to enable the re-structures of services within the directorate to happen at pace.

Commissioner Review

This report is authored by Gavin Jones, Head of Paid Service and is fully endorsed by the Lead and Finance Commissioner.

2 Report

2.1 This report recommends changes to the Council's management arrangements to make it fit to deliver the first stages of Slough Borough Council's recently approved corporate plan, Doing right by Slough. Once agreed, the changes proposed here are to be started immediately but full implementation is likely to take until March 2023 as the replacement of interim staff with permanent employees is phased.

2.2 As the corporate plan articulated the Council is on a long-term path to recovery following the S114 notice in July 2021 and the intervention programme put in place by the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC). One factor that has placed a handbrake on progress during recent months and the initial stage of recovery is the current constraint of corporate capacity. This includes absence of change and organisational development capacity and capability, and a senior leadership team which consists almost entirely of interim support and other temporary or acting up arrangements. It establishes the delivery unit agreed within the plan and a clear, robust Corporate Leadership Team structure. The proposed new arrangement will therefore establish the initial capacity and capability to enable the Council to deliver the stabilisation and operating model stages of recovery outlined in the corporate plan. It should be assumed that the Council will need to revisit this structure during the operating model stage of the corporate plan and agree a long-term structure which will be fit for purpose for the new operating model.

Options considered

(a) Continue with existing structure

The Council is not currently operating under the chief officer structure as set out in the Constitution, as the directorates of Place and Customer and Community are being covered by one officer, pending consideration of a new structure. In addition some services that were in the Customer directorate have been managed by the interim chief finance officer, who is covering the role of Executive Director of Corporate Resources. In summary, the structure proposed under the Our Futures model has not been fully implemented, either at Executive or Associate Director level. This does not provide clarity for the staff nor does it provide the necessary capacity or capability to drive forward improvements.

(b) Agree to a new structure of services under newly defined directorates

Whilst the Council may need to re-visit this structure in the future, the proposed structure is a more fit for purpose one for the medium term to allow the Council to deliver on its priorities under the Corporate Plan. **This option is recommended.**

Background

2.3 The Council's recent corporate plan clearly demonstrates the scale of the continuing challenge that the Council faces. It is essential that the Council's organisation can respond to these demands. Ensuring the fitness of the organisation to meet these challenges is the purpose of this report. The DLUHC governance review made specific recommendations in relation to the Council's staffing structure. These included a need to

re-focus on service reform, a need for functional capability reviews for each service area, a need to prioritise some services such as IT, finance and democratic services and a need to create a distributed leadership and permission culture. The lack of permanence at the most senior levels was flagged, particularly in relation to finance, public health and children's services, as was the need to move away from external consultants delivering internal audit and procurement and contract management functions. Finally the review recommended a need to focus on improving performance in service areas.

2.4 While this report outlines the functions of the Council and how they are organised into directorates led by Executive Directors, the Executive Directors also constitute the Council's corporate leadership team and therefore hold a wider corporate role which is important to emphasise. As a group they are expected to provide strategic leadership to the whole organisation and hold collective responsibility for the delivery of the Council's corporate plan including its recovery from its current financial difficulties.

2.5 Importantly, the Executive Directors, through the corporate leadership team, are responsible for setting and developing the officer culture at the organisation and embedding a positive set of values into the operation of the Council. This includes modelling positive behaviours, as well as leading work with employees and Members to set and develop a positive culture.

2.6 Currently, the Council has a six-directorate design, although this is not operational. The six directorates, each with an Executive Director, in the constitution are:

- Corporate Operations
- Place
- Customer and community
- People (Children)
- People (Adults)
- Strategy

2.7 Given the significance of the challenges facing the Council outlined in the corporate plan, particularly in areas of housing and asset disposal, as well as the breadth of existing responsibilities it is proposed to change the individual roles' spans of control and responsibilities in some areas and move the Council to a seven-directorate model. That is:

- Chief Operating Officer – to manage governance, transformation, communications, ICT, HR and customer services
- Strategy – to manage strategy, data and insight
- Finance and Commercial – to manage strategic finance, financial management, revenues and benefits and transactional finance, internal audit, corporate anti-fraud and commercial services
- Place and Communities – to manage environmental services and infrastructure services, regulatory services, community safety, leisure, libraries and other community services
- Housing and Property – to manage assets, including asset disposals and HRA and non-HRA housing services
- People – Adults – to manage Adult Social Care, People Strategy and Commissioning and Public Health
- People – Children – to manage education and inclusion services and children's services that are not contracted out to Slough Children First.

2.8 Consequently, it is recommended that the housing and property functions, currently split between the Place and Customer and Community directorate are reshaped into a new Housing and Property directorate. The advantages of this are as follows:

- Housing services are managed within one directorate, instead of asset management being managed separately from tenancy management and housing needs.
- The asset disposal project is a major project that requires a dedicated and specialist resource to ensure delivery.

2.9 The new Housing and Property directorate will play an integral role in delivering the Council's corporate plan. The Council's financial future is heavily reliant on the successful delivery of the asset disposal plan which will be led from this directorate. Housing services is also a political priority for the Council and an area identified for improvement within the Council's recovery plan so it is appropriate that this area is given renewed focus within the structure through which the Council intends to move forward.

2.10 With housing services and property responsibilities removed, the Place and Community directorate will include environmental, leisure, community and regulatory services.

2.11 The role of Executive Director for Finance and Commercial is a role created by the need for a focus on financial recovery and dedicated, qualified officers fulfilling this role. A report was taken to Employment and Appeals Committee in June with a recommendation to create a new Executive Director role, leaving the existing Executive Director of Corporate Resources to manage the other corporate teams. There will be a phased approach to transferring services due to the need to recruit to roles. Given the financial challenges facing the Council it is appropriate that the organisation's Section 151 officer is able to focus upon these challenges.

2.12 The remaining corporate resource teams will be split between the Chief Operating Officer and the Executive Director of Strategy. The Chief Operating Officer's directorate will take on the activities of the "delivery unit" outlined and agreed in the corporate plan and would include the following functions:

- Governance, including democratic services and scrutiny
- Transformation (including project capability and risk management)
- Strategic Communications and Change
- Human Resources
- ICT
- Customer and business support

2.13 Under the new role of AD of Transformation, there will be a delivery unit team comprising of up to 6 programme managers and 7 project support officers. These roles will be filled on a temporary basis initially whilst the Council considers whether permanent resources are needed. The chief executive will make a decision as to whether this structure is needed on the longer term and any required budget will be determined via the usual budget setting process.

2.14 The Executive Director of Strategy will lead on strategy and organisational design, including focusing on the role of data and insight to inform strategy.

2.15 Overall the Council's management arrangements require swift changes to ensure the organisation has the capability and capacity to respond proactively to the challenge set

within the corporate plan and by the Commissioners. It has taken significant time to get to this stage and change needs to be accelerated in the coming weeks and months. This report is intended to put capacity in place quickly to enable that to happen.

2.16 Looking forward the management arrangements will need to be reviewed as the challenge changes. In particular, the corporate plan lays out a four-stage recovery journey which include a second operating model stage. This point will be critical in informing the longer-term management arrangements required in Slough with further changes likely then. However, this report makes limited changes to the existing approach while bringing in necessary additional support which will enable the council to make progress over the next 18 months to two years.

3. Implications of the Recommendation

3.1 Financial implications

3.1.1 The above structure changes require the creation of two new executive level positions – the Chief Operating Officer and the ED Housing & Property. There is therefore a requirement to create budget for these two positions. Additionally, while the position of ED Strategy exists in the structure there is no budget allocated and so this will be required as well. Furthermore, there are additional proposed positions in the revised structure which will be required to support the COO and ED Housing & Property and ED Place. These are as follows:

Under the Chief Operating Officer:

- AD Transformation
- AD Strategic Comms & Change
- A delivery unit team comprised of 6 programme managers and 7 project support officers
- Interim Monitoring Officer (for which the permanent post budget is insufficient)

Under the ED Housing & Property:

- AD Property
- AD Housing

Under the ED Place

- Head of Service, Community

3.1.2 There is currently no budget in the permanent structure for the above posts. Based on current known or estimated costings, timings of when individuals will come into the organisation, and whether on an interim or fixed term contract basis, this structure will require investment for the council of an estimated £1.998m in 2022/23 and £1.826m in 2023/24, net of the budget held for the Monitoring Officer. The rates applied in 2023/24 are based on salary rates rather than contractor day rates. It is assumed that the delivery unit will consist of interim appointments until at least April 2023 to allow the demand for this service to be assessed during the year and to give the Council flexibility in its financial commitments. These estimates will be refined once precise dates and amounts are known.

3.1.3 This is fully funded within the capitalisation direction. The monies being utilised are available until March 2024, by which point the Council will need to review the requirement for the positions, its financial position and how any consequential budget funding gap is to be met as it works through the overall budget process for 2024/25. This will be worked into the ongoing and future budget processes

3.2 Legal implications

3.2.1 Cabinet has a reserved function to make decisions on reorganisations of departments or services involving more than 20 redundancies or likely to give rise to operational disruption or interruption of services or involving a change from direct to indirect provision or vice versa and to make decisions on policies and plans outside of the policy framework and with such a framework to determine the Council's overall priorities for services and projects. Whilst the recommendations in this report will not involve redundancies of 20 or more and are expected to lead to service improvements, the changes are critical to the implementation of the recovery plans and are therefore deemed a decision for cabinet.

3.2.2 The head of paid service has responsibility to report on the manner in which the discharge by the authority of their different functions is co-ordinated, the number and grade of staff required by the authority to discharge its functions, the organisation of the authority's staff and the appointment and proper management of staff. A separate report is being taken to an extraordinary meeting of the Employment and Appeals Committee with a recommendation to full council in relation to the chief officer structure and creation of new roles.

3.2.3 The function of appointment of staff must be discharged by the head of paid service or an officer nominated by him, with the exception of statutory chief officers, non-statutory chief officers, deputy chief officers or political assistants. Under the Chief Officer Employment Rules chief officers are appointed at a member level, however deputy chief officers are appointed at an officer level.

3.2.4 The determination of remuneration of or other terms and conditions applying to chief officers and deputy chief officers must comply with the Council's pay policy and are a matter for determination by the Employment and Appeals Committee, however guidance issued under the Localism Act 2011 states that decisions on remuneration over £100,000 should be determined by Full Council.

3.3 Risk management implications

3.3.1 Summary of risks:

Category	Risk/Opportunity	Controls	Residual Risk Score (1 (Low) to 10 (high))
Operational / Financial	Corporate team remains or reverts back to being under resourced and under skilled Impact: cultural and operational change is delivered slowly or not at all. Benefits are not realised in a timely manner. The financial challenges facing the authority worsen. Service quality diminishes	Timely additional temporary and permanent resources are identified and secured Strong employment narrative is developed to ensure Slough is able to attract and retain to appropriate levels of skill and experience Current team of interims are secured for the short to medium term Skills and knowledge transfer takes place	9
Legal	DLUHC and other regulators may not have confidence that the Council can address all the matters to the quality and in the time needed, leading to failure to meet	Employment of new finance team Employment of temporary additional resource Creation of appropriate permanent finance structure as part of this report	7

Category	Risk/Opportunity	Controls	Residual Risk Score (1 (Low) to 10 (high))
	<p>best value duty and other statutory duties.</p> <p>Impact: More stringent conditions are applied to the Council. Staff leave to better their careers elsewhere. Services reduce in quality.</p>	External review comments on the newly instigated finance service	
Strategic	<p>Weaknesses in Council's strategic direction, governance, management, financial reporting and performance management continue</p> <p>Impact: The Council fails to take advantage of opportunities as they arise. The residents and businesses of Slough experience a lack of direction in terms of service delivery. Government imposes greater intervention and conditions on the Council</p>	Corporate plan seeks to address these issues and will be driven by the senior team with support from the officers outlined in this report.	7
People	<p>A lack of permanent leadership impacts the ability to recruit and retain and the health and well being of current team</p> <p>Impact: significant health and wellbeing issues for the staff Morale in the greater staff population falls Filling vacancies becomes more difficult with knock on impact on service delivery and the budget Service delivery quality falls – the people of Slough experience significant service issues</p>	<p>Recruit permanent team</p> <p>Implement communication strategy across the Council with regular updates</p> <p>Ensure all organisational leaders and managers are engaging regularly with staff with regular staff engagement sessions.</p>	7

3.4 Environmental implications

3.4.1 None

3.5 Equality implications

3.5.1 The assessment and recruitment process is constructed to ensure equality of access and non-discrimination.

3.6 Procurement implications

3.6.1 None.

3.7 Workforce implications

- 3.7.1 The new structure is designed to invest additional capacity and experience within the team. It is anticipated that all permanent post holders will be assimilated or ring-fenced for roles where their existing role is ceasing or changing. A separate report has been presented to the Employment and Appeals Committee setting out the steps required under the Council's policy and toolkit on organisational change.
- 3.7.2 The Council's policy and toolkit on managing organisational change requires the Council to follow a fair process and conduct meaningful consultation with appropriate employees, trade unions and other relevant stakeholders. This process is in place and the Employment and Appeals Committee is recommended to delegate authority to the chief executive to undertake consultation and agree the final details for the roles and structure in response to this consultation. Once the final structure is agreed, work will commence on job matching and recruitment to new and vacant roles, which will lead to increased capacity from the Autumn 2022 and a more permanent and stable staffing structure from March 2023.

3.8 Property implications

- 3.8.1 None, however the new directorate of Housing and Property will bring an increased capacity and capability to support the asset disposal project and be responsible for management of all the Council land assets.

4. Background Papers

None