

Slough Borough Council

Report To:	Council
Date:	28 September 2023
Subject:	Recommendations of the Employment Committee from its meeting held on 25 th September 2023
Chief Officer:	Senior Management Restructure Update Stephen Brown, Chief Executive
Contact Officer:	Sarah Hayward - ED Strategy and Improvement Stephen Taylor - Monitoring Officer
Ward(s):	None
Exempt:	No, whilst the information in Appendix B contains information about individuals, the seniority of the roles and level of redundancy payment means it is in the public interest to publish this information.
Appendices:	Appendix A – New Senior Management Structure Appendix B – Redundancy packages Appendix C – Responses to the consultation feedback Appendix D – Equalities Impact Assessment

1. Summary and Recommendation

1.1 To consider the recommendations of the Employment Committee from its meeting held on 25th September 2023, namely an update on the next stage of the proposals of the senior management structure following on from the Executive Director (ED) restructure consultation and approval of the Chief officer structure as set out in Appendix A. This second phase of restructuring the senior management team was consulted on in August 2023 and finished on 8 September 2023.

Recommendation:

That Council:

- i) Note the contents of this report.

- ii) Approve the chief officer structure as set out in Appendix A and agree the pay grades for the new Director posts which includes grades over £100,000.
- iii) Note the other proposed changes to the structure at Appendix A that the head of paid service intends to make and approve the redundancy package(s) set out in Appendix B.
- iv) Authorise the Monitoring Officer to make any consequential changes to the Constitution, including Article 12, Part 3.6 Scheme of Delegation to Officers, Part 4.7 Officer Employment Procedure Rules, and Part 7.
- v) Delegate to the chief executive in consultations with the leader decisions to depart from the multi-borough agreement to share a statutory Director of Public Health (recruitment to that post will then be conducted in the normal way).

Commissioner Review

Commissioners reviewed the report and their views and comments have been incorporated into the report.

2. Report

Introduction

- 2.1 As articulated in the Council's Corporate Plan, the Council is on a long-term path to recovery, however, to deliver this we need senior corporate capacity. A restructure took place in October 2022 to establish a structure which would increase capacity at the top level of the organisation to deliver the stabilisation and operating model for recovery. This would in turn deliver resources to allow the Council to focus on changes required in services and at other levels of the organisation.
- 2.2 In October 2022 the Council did not have a permanent Corporate Leadership Team (CLT) in place. The Council now has a permanent Executive Directors, while the monitoring officer is still held by an interim. Employment Committee Members will be aware that a report was presented 22nd June 2023 and Council received a report on 27th July 2023 which outlined proposals to re-organise services which sat under a new Executive Leadership Team under five new Executive Directors. The focus was this to create capacity and to respond to the need to drive through activities related to the recovery programme at pace. This report covers details of the second senior management restructure of posts reporting to the ED's and the plan to recruit a permanent monitoring officer is included. It is acknowledged that this structure has more senior leadership than a council of Slough's size would normally have – this is specifically to drive recovery and improvement.
- 2.3 An initial structure was developed for informal consultation with staff and trade unions. This process informed the proposals that were put to the organisation for formal consultation. It proposed the creation of new Director posts to replace the current Associate Director (AD) structure, it also proposed the creation of Heads of Service. The intention is that the

Directors have greater strategic authority and as such are more empowered to progress the recovery and improvement of the Council at pace in their areas and corporately and be accountable for the decisions they make. These posts were subject to job evaluation and were evaluated at a higher grade, crossing the £100,000 threshold to reflect the additional responsibilities.

- 2.4 The new structure will also bring the Council's job titles, purposes, and descriptions back into line with the rest of the sector in reintroducing functional job descriptions related to the span of responsibility within the job.
- 2.5 The new structure and role profiles will bring greater equity to job roles across the council and ensure that external candidates looking for new job opportunities are better able to understand roles and their seniority therefore making it easier to attract candidates.
- 2.6 As members will be aware, with effect from 1 September 2022 and following the Commissioners' initial six-month report to the Secretary of State, the Minister expanded the Directions to the Council in Annex B of the Directions to include the following:

"5. All functions to define the officer structure for the senior positions, to determine the recruitment processes and then to recruit the relevant staff to those positions."
- 2.7 Senior positions' is defined in Annex B of the Directions as 'direct reports to the Chief Executive and their direct reports, and their Group Managers – tier one, tiers two and three.
- 2.8 On that basis, the Commissioners have been kept fully informed through the process and have the power to intervene in any stage of the process if they so wished.

Background

- 2.9 2021 and 2022 have been incredibly challenging years for Slough Borough Council and its staff. The profoundly serious financial challenges highlighted by the s151 officer in July 2021 were confirmed on 25 October 2021 when the Department for Levelling Up Housing and Communities (DLUHC) Governance report and the Chartered Institute of Public Finance and accountancy (CIPFA) report on the Council's finances and governance processes were issued. The significant underlying weaknesses highlighted in these reports had arisen over a period of several years and represented the combined impact of a wide range of issues including, but not limited to, significant capacity and capability issues.
- 2.10 The consultation document on the senior management restructuring outlined a fit for purpose structure which is aligned to the priorities to be

set out in the Council's intended new corporate plan. It affected two tiers of the organisation: Associate Directors directly and Group Managers who are indirectly affected as their report lines would be changing. The top three tiers of the Council's structure now consist of Executive Directors and other statutory chief officers (Monitoring Officer, Director of Public Health), Directors and Heads of Service, and will increase the capacity and capability to address the concerns that have been highlighted.

2.11 Below are further key changes that were proposed and were consulted on:

- To formally delete the current Associate Director posts.
- To create new posts of Directors and Heads of Service.
- To create a stand-alone Director of Public Health for Slough to replace the shared service arrangement across East Berkshire.
- To re-align services under new Executive Directorates

2.12 The Council's organisational change policy was followed for the proposed restructure.

2.13 The Council's policy encourages the reduction of the likelihood of redundancies in the event of a change in several ways, including offering an opportunity for employees to express an interest in voluntary redundancy (VR) and/or early retirement. The opportunity for any permanent Associate Director to confirm if they wish to be considered for voluntary redundancy was encouraged during the informal and formal stages. Two expressions of interest were received during the consultation process.

2.14 Subject to consultation, if the VR requests are agreed, approval is required by the Council in relation to the redundancy cost resulting from that.

Feedback to the Proposed Restructuring

2.15 The document containing all the feedback consultation and management responses to them is attached at appendix C and a summary of the themes merging from the consultation is also attached.

No full counter proposals were received but a number of suggestions for alternative configurations at different levels were received. These are set out in the appendix with an indication as to whether or not they were accepted and why.

Below is a summary of the key areas of feedback on the proposals that was received during the consultation period.

- **Organisational Structure and Balance: feedback from staff confirmed the need for change at the top tiers of the structure. However, there was some concern** about the balance between leadership and operational roles in relation to managing day-day operations.

- **Support of Restructure and Requests for Greater Clarity: Staff in general** supported the restructuring proposal, and it was felt will positively impact future service delivery and encourage the council's recovery.

Staff requested more information and clarity about the restructuring process and the structures of teams outside the scope of consultations in relation to the current re-structuring. Staff offered suggestions for suitable placements for service areas at lower levels within the new restructure for consideration.

- **Specific Role Concerns: There were suggestions of the responsibilities in some of the Director and Head of Service roles. Two examples of the latter are given below.**

'The focus of the Head of Programmes and Performance should be on transformation and project management, but there is a risk of it becoming an outsourcing hub. Council services must excel in project management and meet government obligations for a robust recovery.'

'Including Data Management in the CDIO role is positive, however clarification is needed to specify which of the Heads of roles would lead on Data Management under the CDIO role.'

- **Staff Development and Upskilling:** Suggestions to focus on career progression for current staff and upskilling for lower salary bands.

- **5. Budget and Financial Delegations:** Confirmation requested for internal schemes of delegation to clarify financial sign-off thresholds.

Concerns about the impact of the restructuring on the budget and staffing costs. As well as increased costs at senior management level.

- **Voluntary Redundancy request:** two voluntary redundancy requests were received.

- 2.16 Having carefully considered the comments, it is proposed that the Structure set out at **Appendix A** be approved and that the new Director roles are paid at a grade that exceeds the £100,000 threshold, which requires full Council to vote on the need for these roles.

Next Steps

- 2.17 Should full council approve the pay grades for the new Director posts the council will begin recruiting to the new posts. Staff who are at risk of redundancy and have submitted an expression of interest will be interviewed first in line with the council's legal and contractual obligations to offer suitable alternative employment when it is available.
- 2.18 The council will simultaneously begin recruiting to vacant posts externally where there is no internal candidate.

- 2.19 Where appropriate, the Council will use a specialist recruitment consultant to assist with our search and ensure we get the very best candidates.
- 2.20 There will be a review of the new structure at the 12 month point in line with our organisational change policy. This is a significant change to the council's structure and so this review point will be important in assessing success and whether it is having the desired impact on the pace of recovery.
- 2.21 The council has been managing with an unstable workforce for some time. This restructure forms a vital part of stabilising the workforce and the council but it is recognised that there could be further disruption in the short term, a key part of our next steps will be to minimise that disruption as we implement the structure.
- 2.22 See risks section below for fuller details on risks and mitigations.

Voluntary Redundancy

- 2.23 As stated earlier, two applications for voluntary redundancy were received from two current Associate Directors. The redundancy package(s) are set out in **Appendix B** and are both over £100,000 including the pension strain, which is the cost to the Council of funding the pension provision. As such full Council is being given an opportunity to vote on these packages.

3. Implications of the Recommendation

3.1 *Financial implications*

- 3.1.1 The new job descriptions have been evaluated so as to provide accurate costings. The cost of the restructure, as stated in the Consultation Document, compared to the current structure is overall cost broadly neutral albeit that there will be some transitional costs involved until the new structure is fully implemented. Some roles are currently funded through separate time-limited funding and that is only applied where roles are time-limited themselves.
- 3.1.2 In accordance with our current organisational change policy, and to minimise redundancy costs, where suitable alternative employment can be offered to those who would otherwise be made redundant this will be done.
- 3.1.3 Any redundancy and associated costs will be met through existing financial resources that have been set aside for these purposes as part of our budget through the capitalisation directive. Transitional costs, as appropriate, can also be charged here.

3.2 ***Legal implications***

- 3.2.1 The rules governing recruitment and appointment of staff are set out in the Constitution. This includes the rules for appointment of chief officers, which includes the need for elected members to decide on these appointments, except when an interim is being appointed pending permanent recruitment. The DLUHC statutory Directions give powers to the appointed DLUHC Commissioners to make decisions on senior officer recruitment for the top three tiers of the organisation. All other recruitment decisions, including those decisions where the commissioners decide not to exercise their power are made by the Chief Executive, as Head of Paid Service, or an authorised officer. In general, executive directors are responsible for agreeing and implementing restructures within their services.
- 3.2.2 The Localism Act introduces duties in relation to transparency in pay policies and arrangements. The guidance associated with this legislation states that due to public interest in the level and frequency of severance payments being made in particular to senior officers, to ensure that decisions to spend local taxpayers' money on large payoffs are subject to the appropriate level of accountability, local authorities should offer full council the opportunity to vote before packages over £100,000 are approved. The redundancy packages contained in Appendix B are limited to contractual entitlement, although in appropriate circumstances an individual may be permitted to be paid in lieu of notice. The Localism Act and associated guidance also requires local authorities to have a pay policy statement and recommends that full Council should approve new posts paid at £100,000 or more.

3.3 ***Risk management implications***

- 3.3.1 There is an inherent level of risk with any restructure, including whether it has the expected impact on performance, service delivery and efficiency and whether it is possible to recruit to the new structure. This will be mitigated through ongoing review of the impact and a 12-month review of the structure.
- 3.3.2 There are additional risks for the Council. These include the disruption that restructure at this scale causes, this disruption is already happening and will continue until significant numbers of the new posts are recruited to and postholders have started their jobs. That said, the council has been coping with instability in the work force for some time and clarity over senior roles and permanent recruitment will begin to drive more stability in the organisation. Organisational leaders and managers will need to manage ongoing delivery and risks in their areas using a variety of tools to mitigate disruption and maintain delivery. There are several interims in post at the associate director level and it is anticipated that many of these staff will stay with Slough until permanent recruitment is undertaken, minimising the risks of gap.
- 3.3.3 There is the potential for the loss of institutional memory and knowledge in staff leaving either through redundancy or as they seek other employment

during the process. This will be mitigated through thorough hand over expectations of those leave.

- 3.3.4 There are recruitment risks for local government at the moment. These are particularly acute around some roles and in some locations. The number of authorities now in intervention mean that potential recruits attracted by the challenges of intervention now also have choices.
- 3.3.5 There are specific high-risk roles due to their importance to our recovery. The monitoring officer and the director of HR fall into this category. In both cases they are vital components of any successful authority and in both cases, they have specific directions attached to their functions and the Council will find it harder to recover without strong permanent postholders.
- 3.3.6 Officers have sought to mitigate these risks as far as possible. In terms of the inherent risks, we have sought external advice and challenge on this structure to ensure it meets the aims and provides job configurations and salaries that will be competitive in the sector. There will be a 12-month review of the structure but its impact will be being closely monitored through a variety of methods including our existing performance management of services and delivery of directions.
- 3.3.7 Slough has been working with officers impacted directly or indirectly to mitigate the negative impacts that the uncertainty a restructure can have on staff. It is not possible in all cases to ameliorate all these affects.
- 3.3.8 The impact of loss of institutional memory at this stage is low as there are small numbers of staff directly impacted, this will be mitigated through effective handover for those staff who are leaving.
- 3.3.9 The Council is sourcing an external recruitment partner to assist with sourcing a strong cadre of potential recruits. This is to both add capacity for the volume of recruitment and provide the Council with specialist advice on all aspects of recruitment to help us stand the best chance of recruiting a strong field of new directors.

3.4 *Environmental implications*

- 3.4.1 There are no specific environmental implications arising from this report.

3.5 *Equality implications*

- 3.5.1 As part of the consultation process an Equality Impact Assessment was conducted.

There are just 5 permanent staff members directly impacted at this stage. In that cohort there are men and women, there are people of different ethnicities and there is some variation in age. In that cohort some have submitted

expressions of interests in new posts, and some have applied for voluntary redundancy.

Officers are seeking to mitigate any equalities impacts by putting a very high premium on diversity in all its forms as we seek to source a recruitment partner.

3.6 *Procurement implications*

3.6.1 Not applicable for this report to the committee.

3.7 *Workforce implications*

3.7.1 The consultation process has followed the Council's Organisational Change Policy and Procedure and trade unions have been involved in this change programme.

3.8 *Property implications*

3.8.1 Not applicable for this report to the committee.

4. *Background Papers*

None