

Special Council Meeting

St Edmundsbury Borough Council: 1 August 2012

Forest Heath District Council: 2 August 2012

**Shared Services: Forest Heath District Council and
St Edmundsbury Borough Council**

Joint Senior Management Team Restructure Proposals

1. Summary and Reasons for Recommendations

- 1.1 This report sets out my proposals for a Joint Corporate Leadership Team to serve both Councils, outlining the context and drivers which underline my proposals. The proposed structure details both Directors and Heads of Service posts.
- 1.2 It also seeks authority for the delegations to achieve this restructure, including the establishment of a Joint Appointments Committee to recommend the appointments to Director posts, and delegated authority to make amendments to the proposals in consultation with both Leaders following the formal one-to-one consultation with the staff affected by my proposals.
- 1.3 In order to harmonise the process, reports containing identical information and recommendations are being presented to both Councils on consecutive days.

2. Recommendations to both Councils

Subject to the passing of these resolutions by St Edmundsbury Borough Council at its meeting on 1 August 2012 and Forest Heath District Council at its meeting on 2 August 2012, it is recommended that:

- 2.1 Council approve the proposed Joint Corporate Leadership Team structure;
- 2.2 The Joint Chief Executive be given delegated authority to revise the proposals, in consultation with both Leaders following formal one-to-one consultation with those affected;
- 2.3 A Joint Appointments Committee be established for the purpose of making appointments to the Director posts and any consequential dismissals by redundancy of Directors, subject to no well-founded objection being made by any Member of either Cabinet;
- 2.4 The Joint Appointments Committee, which shall be politically balanced, comprise three full Members and one Substitute Member of each authority, including at least one Member of each Cabinet, to be appointed by the Head of Legal and Democratic

Services/Legal Services Manager upon the nomination of the Leader of the Council;

2.5 The Joint Appointments Committee have the following Terms of Reference:

- (i) To carry out the process of appointing joint directors including conducting interviews of applicants;
- (ii) To recommend any consequential dismissals by redundancy of existing directors.

2.6 Council approve a change to local pay determination, and a reduction in pay protection to one year, for the leadership posts, subject to ongoing consultation with Unison.

Recommendation to Forest Heath District Council only

2.7 Agree the changes to the Forest Heath District Council constitution as set out in section 12 of the report (St Edmundsbury Borough Council to note only).

3. Background and context

3.1 At their meetings on 19 (Forest Heath) and 25 (St Edmundsbury) October 2011, both Councils resolved to move towards a shared staffing structure which would include one management team and a Joint Chief Executive. My appointment as Joint Chief Executive was confirmed by both Councils in February 2012. This report presents my proposals to move to a joint Corporate Leadership team by the end of September 2012.

3.2 With the financial challenges we face, the evolution of shared services and wider partnership working opportunities, we need a senior management structure that is fit to deal with the changing expectations people have of local government. Alongside this, we need to be able to respond to the expectations of two separate political entities and ensure that we are fit to deliver both Councils' political priorities by converging service delivery as much as possible, but recognising that some priorities will be different.

3.3 This is not a criticism of past performance but a recognition that the world is changing and we have to change with it to ensure that we continue to deliver valued and appropriate services to our West Suffolk communities.

3.4 This restructure is not just about the design of a new structure. It is also about the way we will need to work in the future to ensure that we deliver outcomes in a more complex and demanding public sector environment. This will require behaviours and ways of working which drive continuous improvement, commercial focus, change and innovation to sustain excellent organisational performance and delivery against the political ambitions both now and in the future.

4. Drivers for the new structure

4.1 The new structure has been designed to deliver on the current challenges and changing public sector context. These can be summarised as follows:

4.2 Financial

4.2.1 Significant reductions in funding and increased uncertainty and variance on the level of funding; for example, some funding is now tied to payment by results such as the New Homes Bonus and Business Rate retention.

4.3 Community and Customer expectations

4.3.1 Increased demands for services from the growing elderly population and from customers for 24 hours a day, seven days a week access to transactional services and a more mobile transient population using new means to communicate and access services.

4.4 Local priorities

4.4.1 A strong focus on economic development, delivering sustainable growth, jobs and balanced communities. The requirement to drive efficient services, value for money and to put the customer at the centre of our future service delivery.

5. Principles of change

5.1 The restructure has been shaped by the following principles:

- Make it understandable and relevant for staff, Councillors, partners and the public.
- Sensible groupings of services and expertise.
- Recognise where we are – joining up two management and officer structures into a single leadership team to support two councils.
- While we need stability, we all also need to recognise that change is a constant.
- Make best use of our capacity to deliver the required savings.
- Ensure we are fit for purpose so we can focus on priorities.
- Create a shared culture, behaviours, and confidence across both councils.
- An emphasis on the way we do things, our behaviours and leadership.
- Assumptions about future models of service delivery, no rapid or large outsourcing, more emphasis on commissioning and the need to drive a more commercial approach.
- Capable of creatively and boldly tackling near future issues – customer access, back office options, regulatory services, strategic direction and the future of public sector service provision.
- Drive and develop West Suffolk as a strong representative voice and presence in the county and region.
- Flexibility and collaboration – work across services and partners to share expertise and capacity.

6. Organisational values

6.1 The way we work in this new organisation will be a crucial factor and an important focus. This will be guided by a new set of values. These will include:

- the removal of boundaries;
- trust and empowerment;
- commercial focus;
- focus on outcomes rather than inputs; and
- challenge and learning.

6.2 These values will underpin the way we work. Once the new Corporate Leadership Team is in place, it will work corporately to develop the policies and behaviours which will drive the way we work and deliver these aspirational values.

7. Process of engagement and feedback

7.1 These proposals have been shaped during a period of engagement with Members, stakeholders including existing senior managers, Unison, Local Government Association (LGA), East of England Local Government Association (EELGA) and key partners. Their input has been invaluable and has been taken into account in the proposals presented for approval. Subject to approval of the proposals by each council, I will move into a period of formal consultation with the individuals affected and, once finalised, a series of communications with key stakeholders.

8. Proposed structure

8.1 Full details of the proposed structure are attached in the Appendix to this report.

8.2 The proposed structure and roles are significantly different from the existing Director and Head of Service roles at either Council. The respective roles of the new Leadership Team members are summarised below.

8.3 The role of the Chief Executive

8.3.1 My role is to provide the vision and leadership required to create the conditions to build strong relationships to achieve demanding strategic goals and a strong reputation across and for West Suffolk. I will lead the Corporate Leadership Team to drive performance to focus on outcomes and delivery.

8.3.2 I will build strong and productive relationships with Councillors and will be accountable to Councillors for the overall performance of the integrated management and staff structure. This will include leading transformational change and organisational development to ensure that both councils are in a strong position to respond to future challenges and opportunities.

8.4 The role of the Directors

8.4.1 The two Directors will be directly accountable to me and work closely with me to make connections internally across services at all levels among Councillors and staff, and externally, with existing and potential partners. They will have flexibility to respond to cross-cutting complex issues and spot and develop emerging opportunities which will benefit West Suffolk. The Directors will look upwards and outwards. They will no longer have direct management accountability for service areas but will work on complex cross-cutting projects with a wide range of internal and external partners on a flexible basis. They will manage a range of internally and externally driven relationships including working closely with councillors and partners in order to develop and deliver priorities. They will have portfolios of projects and services which will change depending on current priorities. Their role will be to provide leadership, support, coach, mentor and challenge staff and not to provide traditional "command and control" management.

8.5 The role of the Heads of Service

8.5.1 The new Heads of Service role will contribute strategically upwards, developing strategy as well as leading and driving delivery in their service areas. They will be accountable and responsible for the management of budgets and performance outcomes and for the leadership of staff. They will contribute to corporate transformation and champion and deliver change in their areas. They will support staff through coaching, mentoring and creating the conditions that encourage innovation, challenge and collective learning. They will also develop effective working relationships with Portfolio Holders and Ward

Councillors, keeping them updated and informed of key issues and providing support, briefing and advice, especially for Portfolio Holders.

8.6 The role of Members

8.6.1 Member officer relationships will need to change and develop within the new environment. We will be working with a much reduced senior management capacity working across two Council areas. It will be necessary to converge governance, decision-making processes, policies, procedures and to standardise work as much as possible but recognising that there will still be a case for differences on some issues and the need to deliver on separate and individual projects. We will all need to work closely together to develop this new working relationship.

9. Recruitment process and legal position

9.1 As indicated in section 8 of this report, the proposed Director and Head of Service posts are significantly different from the existing posts. However, it is likely that the majority of these posts can be filled from within the existing organisations. It is therefore proposed to establish a recruitment process, supported by an assessment centre, to assess the capability and competence of internal applicants against the requirements of the new posts as an initial stage. If we are unable to recruit following this internal process we will need to consider an external recruitment process.

10. Local terms and conditions

10.1 Currently the terms and conditions of senior managers at Forest Heath are determined by Members, based on salary comparison information, whilst those at St Edmundsbury are determined by collective agreement with Unison, the recognised Trade Union.

10.2 It is proposed that we now move to local determination of pay and terms and conditions for Corporate Leadership Team posts. This will allow us to respond flexibly to changes in the market, but also to retain local control and transparency over the reward package for these senior posts. Unison has been informed of our intentions and consultation continues with them.

10.3 The salary levels and other terms and conditions for these posts will therefore be able to be determined prior to the appointments being made. It is also proposed to review the current three years' pay protection that applies where an officer is appointed to a post that attracts a lower rate of pay, with an intention to offer one year protection of existing salary. We are currently in consultation with Unison with regard to this change of existing policy for these posts. These local arrangements are being developed alongside the proposals for the single payline which will be finalised for consideration by each Council at their September 2012 meetings.

11. Constitution/Joint Appointments Committee

11.1 The constitutions of both Councils are consistent on the process to be followed for appointments at this level. This is as follows:

11.2 Tier 2 - All chief officers (Directors) are Member appointments.

11.3 An offer of employment as a chief officer shall only be made where no well-founded objection from any Member of the Cabinet has been received.

- 11.4 Tier 3 and all other appointments are the responsibility of the Head of Paid Service and “may not be made by Councillors”.
- 11.5 A Joint Appointments Committee will need to be established to make the appointments to the Director posts. An offer of employment will only be made where there is no well-founded objection from any Cabinet Member. Appointments to the Head of Service posts will be made by the Chief Executive, but it is proposed to involve Portfolio leads in the appointment process. It is necessary to amend the constitution at Forest Heath District Council to clarify an anomaly in this respect. This is dealt with in section 12 of this report.
- 11.6 The existing constitutional requirements for dismissals are similar. The St Edmundsbury Borough Council constitution requires that the Officer Appointments Committee approve the dismissal of a Chief Officer (Directors), whilst under the Forest Heath District Council constitution, no committee is specified so that the power rests with the Council. There are also differences in the rules for statutory posts.
- 11.7 Notice of the dismissal of the Head of Paid Service or any Corporate/Strategic Director will be given in accordance with Para 6 of Part II to Schedule 1 of the Local Authorities (Standing Orders) (England) Regulations 2001. This requires that the Executive has the right to raise a well-founded objection to the dismissal. This aspect is consistent across both Councils.

12. Amendments to the Constitution

- 12.1 At Forest Heath District Council's Annual Council on 9 May 2012 when the new Constitution was adopted, it was reported that the recruitment of officers had been aligned with that of St Edmundsbury to assist in Shared Services, and that Heads of Service and below would now be officer appointments with appropriate Member consultation.
- 12.2 The necessary changes to reflect this were made in the Procedure Rules relating to Appointment of Officers. However, to complete this, it is necessary to remove a reference to appointment that also appears unexpectedly in the Procedure Rules relating to Disciplinary Action and to align the requirements for dismissal by making the dismissal of a Head of Service a matter for the Head of Paid Service.
- 12.3 Rule 30.3, currently states:
- 12.4 “Subject to Rules 30.4 and 30.5 below, the function of appointment and dismissal of and taking disciplinary action against a member of staff of the Council must be discharged, on behalf of the Council, by the Head of the Council's Paid Service or by an Officer nominated by him.”
- 12.5 Rule 30.4 currently states:
- 12.6 “Rule 30.3 above shall not apply to the appointment or dismissal of, or disciplinary action against: 30.4.1 Any Chief Officer or Director; 30.4.2 Any Head of Service; 30.4.3 Any assistants for Political Groups appointed under Section 9 of the Local Government and Housing Act 1989.”
- 12.7 These must be varied by removal of the words “appointment of” from Rule 30.3, and “appointment or” from Rule 30.4.

- 12.8 This will ensure that the arrangements for appointment and dismissal are consistent across both councils.
- 12.9 Council is, therefore, recommended to amend the Constitution by removing from the Procedure Rules the words:
- (a) "appointment of" from Rule 30.3; and
 - (b) "appointment or" and "30.4.2 any Head of Service" from Rule 30.4.

13. Employment arrangements

- 13.1 It is proposed that internal candidates appointed to the new structure will continue to be employed by their existing employer.

14. Corporate Priorities

- 14.1 The recommendations assist in the achievement of the Corporate Priorities of both Councils.

15. Community Impact

- 15.1 The Councils' responsibilities with regard to Crime and Disorder Impact (including Section 17 of the Crime and Disorder Act 1998), Diversity and Equality Impact and Sustainability Impact will be met.

16. Financial implications

- 16.1 These proposals will achieve the ongoing savings identified in the budget planning at each Council. The actual final savings achieved will be dependent on final salary levels, and individual redundancy costs. These cannot be specified at this time but will be reported to the Shared Services Steering Group in due course.

17. Risk assessment

- 17.1 The risk register below sets out the key risks and controls in place to manage these risks.

Risk area	Inherent level of Risk (before controls)	Controls	Residual Risk (after controls)
	High/Medium/Low		High/Medium/Low
Recruitment of directors and heads of service – process is perceived to be unfair or favour one council's staff rather than another.	High	Professional advice is being given by East of England Local Government Agency (EELGA) to ensure that the process is fair and equitable.	Medium

Savings are not delivered.	Medium	The savings delivered through the new structure have been modelled to deliver the target for management team savings as part of the overall shared service savings target of £2.5m.	Low
Cost of change is higher than expected.	Medium	The costs of change have been modelled on the basis of the new structure although the exact figure will be unknown until the appointments have been made.	Low
New structure is too lean and the workload for the remaining directors and heads of service becomes unsustainable.	High	The new structure will only work effectively once all services are joined up; this work is scheduled to be complete by April 2013, at which stage we will effectively have one set of services.	Medium
New structure is not lean enough and remaining managers have surplus capacity.	Medium	There may be some areas where there is spare capacity, once the transformational change has been delivered across both councils. If this is found to be the case, it will be dealt with in future restructurings.	Low
Councillors or external parties are unable to adapt to change which results from a single leadership team working for two councils.	High	A range of training support will be provided, both for the directors and heads of service, and those they serve. Convergence of governance, decision-making processes and policies will reduce workload where possible.	Medium

Other staff affected by the new leadership team structure are dissatisfied with the change.	Medium	Strong single leadership team will be in place to support staff through change.	Low

Contact Details

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Joint Chief Executive of Forest Heath District Council & St Edmundsbury Borough Council

Director

Director

Head of Economic Development & Growth

Head of HR & Organisational Development

Head of Planning & Regulatory Services

Head of Legal & Democratic Services
 (Monitoring Officer)

Head of Policy, Strategy, Communications & Customers

Head of Housing

Head of Leisure, Culture & Communities

Head of Waste, Street Scene, Property & Grounds Maintenance

Head of Resources & Performance
 (S151 Officer)

Economic Development
 Town Centre Partnerships & Development
 Markets (Strategy)
 Rural Development
 Growth Areas & Regeneration
 Supporting Growth (Corporate)
 Tourism (Strategic)

Human Resources
 Member Development
 Organisational Development
 Training
 Health & Safety
 Payroll

Planning Policy/ LDF
 Development Control/ Enforcement
 Building Control
 Environmental Health (Including Private Sector Housing Delivery)
 Licensing
 Conservation/ Urban

Legal
 Democratic Services
 Member Support (Ward Members)
 Cabinet Management & Support
 Scrutiny Management & Support
 Elections
 Civic Office

Corporate Strategy/Planning & Coordination
 Corporate Communications
 Customer Services, Access & Engagement
 Equalities/ Diversity
Policy Areas:
 • Health/JSNA
 • Crime Commissioner
 • Future of Public Services

Strategic Housing (Including Private Sector Housing & DFG Policy)
 Enabling
 Housing
 Homelessness/ Advice
 Choice Based Lettings
 Social Care
 Safeguarding Children

Leisure
 Parks & Open Spaces
 Cemeteries
 Heritage & Culture
 Tourism (Delivery)
 Events & Festivals
 Sport/Play
 Community Safety
 Town & Parish Liaison
 Youth Provision
 Community Development & Partnerships
 Third Sector Liaison & Commissioning

Refuse/Recycling
 Street Scene
 Land Drainage
 Markets (Delivery)
 CCTV
 Property Services & Estate Management
 Grounds Maintenance
 Public Conveniences
 Car Parking Operations

Finance
 Service/ Corporate Finance
 Audit
 Revenues & Benefits (ARP)
 Procurement
 ICT
 LLPG/GIS
 Performance Management
 Risk Management

Notes

1. Emergency Planning response will be a requirement of all Directors & HOS on a rota basis.
2. HOS job titles are at this stage descriptive and may change.
3. Service areas, which sit beneath HOS posts are illustrative and describe the groupings of services that will sit together and is not an exhaustive list.