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| Subject: | Changes to the Scheme of Delegations to Officers | | |
| Date of Meeting: | 2nd December 2021 | | |
| Report of: | Chief Executive | | |
| Contact Officer: | Name: | Elizabeth Culbert | Tel: 01273 291515 |
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| Ward(s) affected: | All | | |

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report informs the Committee about the proposed merger of the Finance & Resources (F&R) and Strategy Governance & Law (SG&L) Directorates into a new directorate to be called Governance, People and Resources and seeks approval for changes to the scheme of delegations to Officers.

2. RECOMMENDATIONS:

- 2.1 That Members note the proposed merger of the F&R and SG&L Directorates under one Executive Director (Executive Director for Governance, People and Resources) and the consultation being undertaken, which finished on 15 October 2021;
- 2.2 That Members agree the changes to the scheme of delegations to Officers as set out in paragraphs 3.15 and in Appendix 1 to the report;
- 2.3 That Members agree that the changes referred to under 2.2 above come into effect from 3rd December 2021;
- 2.4 That Members note that the outcome of the further consultation referred to at paragraph 3.12 will be reported to a future Committee.

3. CONTEXT/ BACKGROUND INFORMATION

- 7.3 This report outlines proposals combining the senior management of the Finance and Resources (F&R) and the Strategy Governance and Law (SG&L) services and consequential changes to the scheme of delegations to Officers.
- 7.4 Following the departures of 3 members of ELT during 2019-20, the CEO put in place interim acting up and delegation of authority measures to ensure the smooth functioning of the council officer team, support to Members and the operational delivery of council services. These arrangements were extended in part due to the change in administration in summer 2020 along with the need to focus on the Covid pandemic. A specific briefing was issued to affected staff in Finance & Resources in January 2020.

7.5 The F&R and SG&L Directorates consist of key strategic, governance, IT and human resource functions. The following is a list of the main functions:

Strategy, Governance & Law

- Monitoring Officer functions
- Legal Services
- Policy
- Democratic Services
- Performance Improvement, Programmes and Risk Management
- Corporate Communications
- Life Events (Elections, Registrars, Bereavement Services, Local Land Charges.)

Finance & Resources

- Financial Services
- HR and Organisational Development
- IT & Digital Services *
- Internal Audit *
- Revenues & Benefits
- Business Operations
- Procurement *

* These services are within the Orbis Partnership with Surrey and East Sussex County Councils.

7.6 These services provide complementary roles and ensure the financial stability and good governance of the Council as well as providing the rest of the organisation the capacity, support and guidance needed to achieve a clear and coherent strategic direction. Bringing these functions together under one Directorate, in addition to achieving economies of scale, will provide synergy and a strong, cohesive, central support.

7.7 Regarding the bigger context, the city council is a large and complex organisation managing an annual budget of over £825m. As a unitary authority it comprises a wide range of regulated statutory and non-statutory services directly employing some 4,300 staff and deploys budgets to commission service delivery from a wide range of other providers. It derives its significant investment and spending resources from increasingly diverse sources. This in turn requires complex financial and legal management along with sophisticated delivery infrastructure and programme management.

7.8 The local democratic decision-making process is extensive and vibrant reflecting the political environment of the city, regular changes to minority administration political leadership and the preference for a 'committee-led' system of governance. This means a very large number of reports for decision and noting are prepared by officers for many committees and working groups and through multiple briefing forums. Council meetings in themselves often generate

significant workloads because of the level of public involvement and the number of notices of motion and amendments to reports.

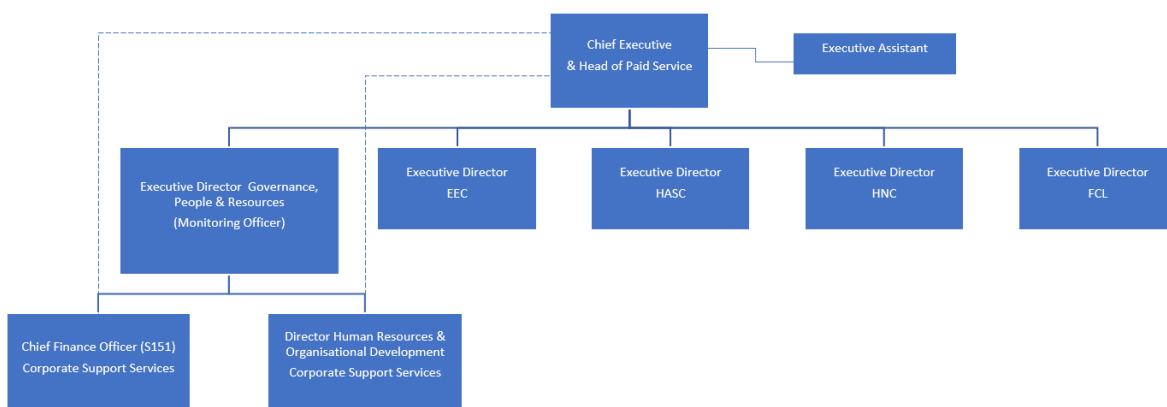
- 7.9 Residents, businesses, statutory agencies, media agencies and community and voluntary sector groups also expect strong levels of engagement from the council including a rising number of enquires, complaints, legal challenges, subject access reviews and freedom of information requests.
- 7.10 As a unitary authority the city council engages directly with government and national statutory agencies and as such must invest significant resources to stay abreast of changing legislation and regulations for local government as well as that affecting partner agencies such as the NHS.
- 7.11 The workforce culture of the organisation continues to evolve and requires extensive management and staff engagement. Some key attributes include: a strong aspiration towards better equality and diversity; professionalism; and participation and collaboration as preferred ways of working. The council's recognised trade unions have significant influence, and the council is also supportive of self-organised groups with protected characteristics.
- 7.12 The city council, its democratic leadership and relationship with others, legal complexity and service expectations, and its chosen ways of working, place increasing demands on the senior management team. This has reached a greater degree of intensity during the last 18 months of the Covid pandemic. The path to recovery and renewal is likely to demand yet greater management capacity for several years to come. This is placing unsustainable pressures on the current senior management team which has less resilience and capacity following many successive years of disproportionate reduction in management and administration resourcing. Since 2015 the headcount of the organisation has reduced by 8.1%, whilst at management level (M8 grade¹ and above) there has been a reduction of 37%.
- 7.13 Some of the management savings previously delivered rested on the ORBIS shared service arrangement with Surrey and East Sussex County Councils. These arrangements have reduced in scope as Surrey and East Sussex County Councils have chosen to retrench their sovereign services most notably in Human Resources & Organisational Development (HR&OD) and Business Operations services. Hence savings achieved in past years and planned for the current year will no longer be deliverable going forward and the net financial impact on the council is estimated to be at least c.£700k of additional financial pressures. Every effort is being made through the disaggregation process and to reduce this pressure as far as possible.
- 7.14 **Life Events:** The consultation proposed a move of Bereavement Services, including the Coroners Service to Health & Adult Social Care (HASC) to be delivered as part of the 'dying well' theme in the Strategic Needs Assessment. The remaining Life Events functions (Elections, Registrars, Local Land Charges) were proposed to remain within the new merged SGL and F&R Directorate.

¹ NJC Management grades run from M11 up to M4. Thereafter, roles are under the JNC body and include Assistant Directors and Directors. Roles that are at M8 or above (including JNC roles) refer to roles that carry significant responsibilities or have a significant scope for impact, and usually require substantial management experience.

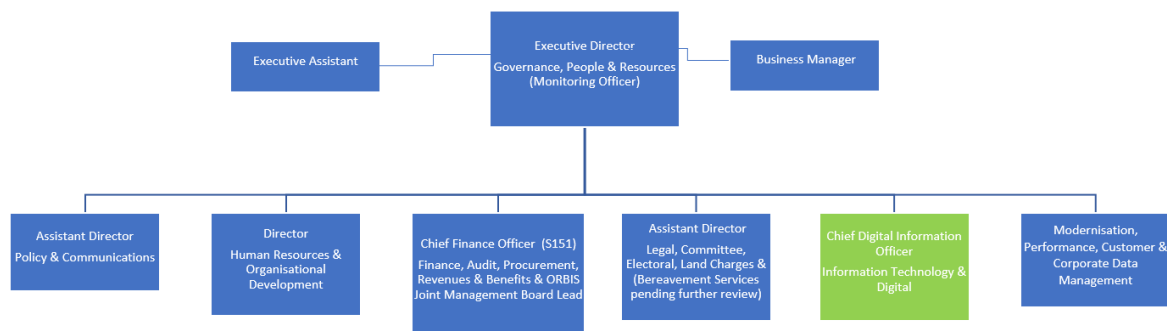
Following consultation responses, the proposed changes to Life Events will be paused to allow for further discussion with affected staff and in light of a recent change in the HASC management team capacity. The Coroner’s service will be subject to review over the coming year with the possibility of a merger with neighbouring Coroner districts.

7.15 **Summary of the changes:** the charts below show the proposed ELT structure and the proposed management arrangements for the new Governance, People and Resources directorate.

Proposed Executive Leadership Team Structure 2021



Proposed Governance, People and Resources Departmental Management Team Structure 2021



Changes to the Scheme of Delegations to Officers

7.16 Changes to the Scheme of Officer delegations will be required to reflect the proposed new Executive Director Governance, People and Resources role and responsibilities.

The proposed delegations are attached at **Appendix One** and are summarised below:-

PROPOSED DELEGATIONS TO THE EXECUTIVE DIRECTOR OF GOVERNANCE, PEOPLE AND RESOURCES (AND MONITORING OFFICER)

- Legal Services
- Democratic Services
- Health Overview & Scrutiny
- Ethical Standards
- Bereavement Services
- Coroner Service
- Electoral Registration and Elections
- Local Land Charges
- Registration Service
- Policy
- Performance Improvement and Programmes
- Corporate Communications
- Leadership Support Office
- Procurement
- IT&D, including Information Management and Information Governance
- Human Resources and Organisational Development
- The functions delegated to the Chief Finance Officer, to the extent that they are not required, as a matter of law or professional practice, to be exercised by the Chief Finance Officer.

PROPOSED DIRECT DELEGATIONS TO THE CHIEF FINANCE OFFICER (s151 OFFICER)

It is proposed that the following functions are delegated directly to the Chief Finance Officer (s151 Officer):-

- Strategic Finance, Financial Services, Audit and Business Risk, including the Corporate Debt Policy, Revenues & Benefits and Business Operations.

Under the proposals, the following Services will be moved to other Directorates:-

- Senior Information Risk Officer (SIRO) – from F&R to Chief Executive;

PROPOSED DIRECT DELEGATIONS TO THE DIRECTOR OF HR AND OD

- It is proposed that the Council's functions regarding Human Resources and Organisational Development (HR&OD) as listed in appendix 1 are delegated to the Director of HR&OD.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

7.3 The Council has the option of retaining the current arrangements, but this would not realise the opportunity for economies of scale and, synergy and strong, coherent central support.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 7.1 Consultation with staff and Trade Unions closed 15th October. The issues arising include:
- 7.2 The movement of Bereavement Services to the Health & Adult Social Care Directorate consistent with the 'Dying Well' health and wellbeing strategy, will be paused to allow for further discussion with affected staff and in light of a recent change in HASC management team capacity. The existing services within Life Events will remain together as they are currently pending this further consultation.
- 7.3 Tweaks to Job Descriptions and attendance at the new Departmental Management Team following comments from affected staff.
- 7.4 Query and clarification of the role of the Assistant Director Policy and Communications.

6. CONCLUSION

- 6.1 The proposals set out in the report are recommended in order to focus investment and support from central corporate services in key areas, in particular to support the Council through the recovery period.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

The financial implications of the proposed changes are as follows:

Savings

- 7.1 The proposed senior officer and Executive Leadership Team (ELT) structure includes a saving from the deletion of the Executive Director Finance & Resources vacant post and deletion of the current Executive Lead Officer – Strategy, Governance & Law. However, these are offset by the replacement Executive Director Governance, People and Resources post together with some small uplifts for other re-evaluated posts required to take on additional responsibilities and delegations from the deleted Executive Director Finance & Resources post. A net saving of £0.111m is projected.
- 7.2 The recent Budget Council decision of £0.095m management savings is to be spread across the council's entire council management team. This saving can either be achieved through a modest turnover rate (equating to less than 1% of total management costs) or through the review of posts as vacancies arise, e.g. for potential restructuring.

Investment

- 7.3 To support corporate policy and communications work of the council through the recovery period, a new Assistant Director post is proposed which would be funded from the savings referred to in paragraph 7.1. The salary plus on-costs of

this post is £112,000 thereby resulting in the overall structure being broadly cost neutral.

- 7.4 To support administrative burdens on the new Executive Director role, with its broader scope, and to support the Departmental Management Team, a Business Manager post is proposed to be included in the new Governance, People and Resources directorate. This will bring the directorate into line with other directorates and support corporate governance and assurance. It also responds to the ending of shared service arrangements in ORBIS, feedback from the Leadership Network staff survey regarding workload pressures (see extract below) and mitigates the impact of the 37% reduction in senior managerial capacity since 2015. It is planned to fund this within existing budgets by reviewing the balance of other executive office and personal assistant support across the Leadership Network and ELT.
- 7.5 The budget pressures caused by the disaggregation of Orbis shared service arrangements, particularly for HR & OD and Business Operations, will be managed as far as practicably possible but a net pressure of approximately £0.700m is expected in 2022/23 and has been incorporated into the projections included in the draft budget and resources update report elsewhere on this agenda. These costs will fall within the new Governance, People and Resources Directorate.

Finance Officer Consulted: James Hengeveld

Date: 11/11/2021

Legal Implications:

- 7.6 Changes to the Scheme of Officer Delegations are required to be agreed by Policy & Resources Committee, as set out in the Council's constitution. There are two statutory roles impacted by the proposals, namely the Monitoring Officer (as required by the Local Government and Housing Act 1989) and the Chief Finance Officer (as required by Section 151 of the Local Government Act 1972.) The proposed change to the Scheme of Officer Delegations will ensure that responsibility for s151 Officer functions is delegated directly to the Chief Finance Officer, who will also sit on ELT. The Monitoring Officer function will be undertaken by the Executive Director of Governance, People and Resources.

Lawyer Consulted: Elizabeth Culbert

Date: 27/09/21

Equalities Implications:

- 7.7 The proposals do not give rise to any adverse equalities' implications, but the further consultation will look at all aspects of the proposals to see if there are any equalities issues not addressed by the work already undertaken

Sustainability Implications:

- 7.8 There are no sustainability implications arising from this report

Brexit Implications:

7.9 There are no Brexit implications arising from this report.

SUPPORTING DOCUMENTATION

Appendices:

1. Changes to the scheme of delegations to Officers

Background Documents

None