

Subject:	Senior Management Team Re-Organisation		
Date of Meeting:	28 April 2016		
Report of:	Chief Executive		
Contact Officer:	Name:	Geoff Raw	Tel: 01273 291132
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report seeks P&R Committee agreement to changes in delegated authorities to senior officer posts and to note progress on staff consultation on a re-organisation of the senior management team by the Head of the Paid Service reflecting 4 year council budget planning and the changing landscape of local public service management and delivery.

2. RECOMMENDATIONS:

That the committee:

- 2.1 Notes the proposed officer re-organisation as set out in the report;
- 2.2 Notes that an update will be provided to Members on the outcome of the consultation on the day of the meeting and that the proposals in this report are subject to the outcome of the consultation;
- 2.3 Agrees the changes to the scheme of officer delegations set out in Appendix 1 to this report;
- 2.4 Authorises the Chief Executive to take all steps necessary or incidental to the implementation of the proposals set out in this report including the power to make any transitional arrangements he considers necessary including outstanding matters arising from staff consultation;
- 2.5 Authorises the Monitoring Officer to make amendments to the relevant parts of the constitution to reflect the changes resulting from the above paragraphs and make any necessary consequential amendments;
- 2.6 Agrees that the delegation changes come into force on 2 May 2016, subject to any transitional arrangements and referred to in paragraph 2.4 above.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The elected Members of the council delegate much of the strategic management and day to day operation of council services to the Chief Executive and the senior management team. Periodically there is a need to review the structure of the senior team to respond to external and internal imperatives. It is the responsibility of the Chief Executive as Head of the Paid Service to undertake reorganisation and make recommendations to Members on the scheme of delegations.
- 3.2 Over recent months the current senior management structure has been reviewed and as a consequence important changes are proposed. There are a number of key drivers that have influenced these proposals:
- 3.2.1 **Local government devolution:** The city council has already made successful strides in establishing the Greater Brighton Economic Board and securing a City Deal. The role of the city council in stimulating and sustaining the economic prosperity of the city is very evident. With local authorities also expected to retain 100% of business rates by 2020, it is increasingly important for the council to be mindful of its civic role in relation to business rate payers and ensure strong value for money. The growing economic role of the council at the city-region level is reflected in the proposal for an Economy, Environment & Transport directorate. The devolution work also has a particular focus on culture and creative industries and the role of this sector in the health of the economy. The council's leadership role in this sector remains key and working with partners there is ambition to expand this and support the wider city-region.
- 3.2.2 **Changes to the Health & Wellbeing system:** In addition to the above the current Devolution Deal proposals provide opportunities for further collaborative working between local authorities and other public agencies. Specifically, this includes public bodies responsible for health, wellbeing and social care. Over the last two years, through our developing Health & Wellbeing Board there has been much closer working in this area and in the autumn, the Clinical Commissioning Group (CCG) will be co-locating with the Council at Hove Town Hall. These developments are reflected in the proposal to create a Health, Wellbeing and Adults directorate, which will work closely with the Clinical Commissioning Group and Public Health England and report to the City's Health & Well Being Board. The CCG and the Council need to have an integrated plan in place by 2017 and we are currently supporting Surrey and Sussex Health Care Trust in formulating a Sustainability and Transformation Plan.
- 3.2.3 **Financial Efficiency & Managing Demand:** Through its management team, the council has already delivered £100m of reduced spend and operational efficiencies since 2010. As identified in the Medium Term Financial Strategy reported to Budget Council, a further £68m of additional savings are prudently estimated to be required to 2019-20. On paper, the 4 year financial planning process has identified options for saving some £60m of this. The budget envelope recently agreed by Members at Budget Council also assumes reductions in management and administration cost. The deliverability of these savings proposals will be tested and options refined over the coming financial

year in a process led by the Finance & Resources directorate. This is likely to identify yet further savings in management graded posts over the next 3 years.

- 3.2.4 ELT (Executive Leadership Team) have also estimated that to achieve the 2020 savings target, the council will need to invest some £20m+ over the next 4-5 years to improve operational efficiency and to manage down service demand from our local communities. The findings of the Fairness Commission will further inform this and the council's Modernisation Programme will continue to provide co-ordination and delivery focus. This includes an ambitious plan to increase the number of digitally enabled services thereby improving efficiency and customer satisfaction.
- 3.2.5 Work is also underway for BHCC to partner with East Sussex and Surrey County Councils to deliver shared services for Finance, HR, ICT, Procurement, Audit, Revenues & Benefits and Property Services. Legal services are in the process of forming a separate venture with the same authorities plus West Sussex. The goal is to secure resilience in these services against the backdrop of a 30% average budget reduction and also significant challenges in recruiting and retaining senior professional expertise. Over the next 3 years of transition and as Orbis takes formal shape, it is anticipated that savings will be achieved through management rationalisation across Orbis partners.
- 3.2.6 **Policy Priorities:** The Council has set a number of objectives and principles in accordance with its policy priorities. It is anticipated that these will be supplemented with the findings of the Fairness Commission later this year. These policy priorities include a stronger emphasis on working more closely with communities and also in local neighbourhoods to co-design and deliver local services. This will entail a stronger emphasis in working more closely with other public agencies and third sector organisations to sustain the impact of reducing public service spend and as municipally delivered services are redesigned and commissioned. This ambition is reflected in the creation of a 'Neighbourhoods, Housing & Communities' directorate which aligns a critical mass of neighbourhood working and community focused services.
- 3.2.7 **Effective Leadership Performance and Accountability:** The city council is a complex democratically governed organisation with a wide range of stakeholders and communities of interest. It delivers some 700 different services to over 280,000 residents, 12,000 businesses and 11 million annual visitors. It is also one of the largest organisations in the city directly employing around 4,600 people (excluding schools), with gross annual revenue expenditure of just over £760m and combined capital investment of £142m.
- 3.2.8 The effective performance of the senior management team is critical to the future success of the city economy and the quality of life of its residents as well as the longevity of Brighton & Hove City Council amidst the shifting sands of local government devolution and public sector reform.
- 3.2.9 Change in the performance framework and accountability structure of the senior management team has been underway for some months, including reductions in management team posts. In addition, a 'Management Spans of Control' analysis was undertaken during 2015-16 and the findings have been incorporated into the proposed changes identified in this report. This seeks to

establish an organisation with no more than 6 tiers and, to enable a flatter structure, line management reports of up to 6 (more in the case of manual work teams, and sometimes less particularly in highly specialised or technical areas).

- 3.2.10 Additional management and administration savings of £140k were agreed by Members as part of the recommendations agreed at Budget Council in February this year. It is anticipated that these will be achieved through the current and subsequent reviews of management and administrative roles and/or functions over the coming financial year.
- 3.2.11 It is intended to define senior management levels and capacity within the council to four tiers of accountability. This is in line with the council's organisational design principles. To support this approach, a Leadership Job Family has been created to align management accountability clearly across four tiers of management. Job profiles will be underpinned by role specific responsibilities and personal objectives. Work is underway to develop a competency framework for skills and behaviours, which will sit within job families and organisational levels.
- 3.2.12 Changes to tier 4 management posts will be the subject of a second phase of consultation processes in coming months and are not described in detail in this report, although there are some changes to line management where functional areas have moved.
- 3.2.13 Change to the shape and accountabilities of the management team across all tiers are insufficient to ensure success on their own. The prevailing organisation and performance culture, effective systems and delivery processes are also critical. These continue to be reviewed and refined to support and align with the proposed changes to management team accountabilities and reporting lines.

4. Directorate Proposals

- 4.1 The management structure of the council is being re-aligned to more effectively reflect the operating conditions as set out in section 3 of this report and the directorate structure would need to be reorganised into the following Directorates to support this:
- **Economy, Environment & Transport**
 - **Families, Learning & Children's Directorate**
 - **Finance & Resources Directorate**
 - **Health, Wellbeing & Adults**
 - **Neighbourhood, Communities and Housing**
- 4.3 A new central support team supporting Law, Governance and Democratic Services will also be created, reporting to the Chief Executive.
- 4.4 Phase one of the reorganisation defines the directorate structure and subject to consultation, formally reorganises down to tier 3 and assigns functional line management below this. A further review of tier 4 posts will commence on a service by service as necessary.

- 4.5 **Law, Governance and Democratic Services:** The focus for this team to ensure co-ordinated council leadership and will have the following functions reporting to a new lead role for Law, Governance & Democratic Services.
- Communications
 - Democratic Services
 - Legal Services
 - Life Events
 - Partnerships
 - Performance
 - Policy
- 4.5.1 Both the current Head of Legal and Democratic services and the Assistant Chief Executive post are deleted as a result of this change. The Lead role in Law, Governance and Democratic Services will hold the statutory role of Monitoring Officer for the Council and is ring-fenced to the current Head of Legal & Democratic Services. The Assistant Chief Executive is currently on external secondment to the London Borough Croydon until August 2016 and is being consulted on the development of the detail for the Assistant Director for Culture.
- 4.5.2 Core purpose for the team includes:
- ✓ Assuring strong service delivery performance;
 - ✓ Co-ordinating corporate and directorate policies and commissioning strategies to ensure effective integrated working and information sharing;
 - ✓ Improving council communications to residents and business as well as to Members and our staff;
 - ✓ Supporting Members in their democratic decision-making and governance oversight of the organisation;
 - ✓ Providing high quality legal advice to committees and directorates including the potential offered via a shared service with Surrey, East and West Sussex County Councils.
- 4.6 **Health, Wellbeing and Adults:** The focus for this team is to enable services that are supporting health and adult social care integration to come together so as to deliver joined up services and outcomes for the City. This will include the creation of a commissioning function covering the Health, Wellbeing & Adults and Families, Learning & Children directorates, working closely with the Clinical Commissioning Group.
- 4.6.1 A new Executive Director role encompassing both the statutory roles of the Director of Adult Social Services (DASS) and the Director of Public Health (DPH) will lead this Directorate. The previous Director of Public Health, retired at the end March 2016 and it is the current Director of Adult Social Services' (DASS), intention to retire at the end August 2016. In these circumstances, the Executive Director post will be advertised and the DASS will cover the transition period prior to a new appointment.
- 4.6.2 The services included in this Directorate are:
- Integrated commissioning
 - Public Health
 - Adults Assessment (to include Home Care Services)
 - Adults Performance and Sector Led Improvement

- Adults Safeguarding

4.6.3 The directorate will have responsibility for:

- ✓ Integrating commissioned services for adults and children's social care across the council and supporting the NHS Clinical Commissioning Group;
- ✓ Championing the next phase of devolution and a focus on targeting new service models and managing down demand;
- ✓ Commissioning public health interventions.

4.7 **Families, Learning and Children:** The focus for this Directorate is to retain a strong focus on child safeguarding and support for families, together with leadership of education and skills for the city including increasing apprenticeship opportunities for young people across the city. The directorate will also ensure that there is a strengthening relationship with the wider health economy and will bring together services for children and adults with a disability. Posts at tier 3 have been reviewed in the light of the planned retirement of the Assistant Director Stronger Families, Youth & Community from the council following this consultation process and confirmation of the new structure.

4.7.1 The services included in this Directorate are:

- Integrated Health and Disability Services
- Education and Skills
- Children's Safeguarding and Care
- Safeguarding and Quality Assurance

4.7.2 The directorate will have responsibility for:

- ✓ Bringing together assessment services and provision for children and adults with learning disabilities;
- ✓ Leading on the employment and skills agenda for the council.

4.8 **Economy, Environment and Transport:** The directorate will continue to provide services that maintain an attractive, sustainable and well run city for residents, business and visitors.

4.8.1 The services included in this directorate are:

- City Transport
- Development and Regeneration
- City Environment
- Property Services
- Cultural Services

4.8.2 The directorate will have responsibility for:

- ✓ Leading the council's devolution work in developing a strong and prosperous economy;
- ✓ Effective land use planning and development management;
- ✓ The environmental cleansing and well-being of the city;
- ✓ Improving and sustaining the city's transport infrastructure;

- ✓ Managing the collection, recycling and disposal of city waste;
- ✓ Leading the commissioning and delivery of corporate and commercial property services;
- ✓ Leading the future of the city's unique cultural and tourism offer and expanding this for a wider city region;
- ✓ Provide option assessment for future delivery of property services in partnership with East Sussex and Surrey County Councils.

4.9 **Neighbourhood, Communities and Housing:** This new directorate will provide a neighbourhood and communities focus to the council. There is also strong interest from police and fire service authorities to develop closer working with the council in the delivery of neighbourhood management. This is an area of further discussion with the Police and Crime Commissioner following the outcome of elections on the 5 May 2016.

4.9.1 The services included in this directorate are:

- Housing
- Environmental Health and Regulation
- Libraries
- Community Safety
- Communities, Equalities & Third Sector

4.9.2 The directorate will have responsibility for:

- ✓ Closer engagement with local communities in the co-production of neighbourhood focused enforcement services;
- ✓ Developing libraries as neighbourhood hubs;
- ✓ Leading the council's 'Prevent' agenda;
- ✓ Delivering volunteering opportunities where possible across common platforms with other public service providers;
- ✓ Improving customer satisfaction, complaints resolution and neighbourhood well-being across council services;
- ✓ Deepening the understanding across all services of city demographics and the practical measures to address communities of interest and neighbourhoods in need.

4.10 **Finance and Resources:** This directorate will continue to deliver essential support functions of finance, audit, procurement, human resource management and information communications technology.

4.10.1 The services included in this directorate are:

- Finance & Procurement
- ICT
- Human Resources and Organisational Development
- Internal Audits
- Revenues & Benefits

4.10.2 The directorate will have responsibility for:

- ✓ Ensuring effective medium term financial planning and budget management within Member agreed directorate spending limits;

- ✓ Providing the council with effective audit assurance and providing constructive challenge to directorates;
- ✓ Driving improved value for money by exploring income, contract management and procurement opportunities with directorates;
- ✓ Strengthening business partnering with service directorates;
- ✓ Providing options for resilient and cost-effective future service delivery in partnership with East Sussex and Surrey County Councils;
- ✓ Supporting workforce planning and a new competency framework;
- ✓ Commissioning and co-ordinating targeted training and organisational development for managers and staff;
- ✓ Strategic planning and delivery of core infrastructure services and major ICT investment programmes including digital service development.

4.10.3 The proposed new directorate delegations are summarised in the table attached at Appendix 1.

5 Change Process & Communication

- 5.1 As a result of recent resignations and the Chief Executive appointment there are a number of vacancies at Executive Director Level. The recruitment process to these posts will be planned through consultation to ensure appointments are made as soon as practicably possible following external advert.
- 5.2 Appointment to tier 3 posts in the new structure will be managed through voluntary severance, natural turnover, slotting and ring-fenced recruitment processes. A detailed summary of the proposals as they apply to staffing changes are described in the consultation document that has been circulated to affected staff, Members and Trade Unions.
- 5.3 The consultation commenced 29 March 2016 (to 27 April 2016) and has afforded an opportunity for colleagues to put forward their views on the proposals regarding future changes so that these can be explored jointly before this P&R Committee determines officer delegations. Staff who are directly affected have been given the opportunity to meet individually with their line manager and feedback directly as part of the formal consultation. The formal consultation was preceded by considerable informal discussions with Members of ELT and their direct reports with the feedback incorporated into the proposals.
- 5.4 The Chief Executive will update Committee further as to any additional points or amendments following the closure of the consultation on 27 April. This update will also be confirmed via a document issued to staff and the unions during week commencing 2 May 2016. This will include further detail about the timescales for implementation of the new structure and recruitment to key vacant posts.
- 5.5 This report seeks delegated authority for the Chief Executive to implement the new arrangements from 2 May 2016 and to make appropriate transitional arrangements where these are required. Transitional arrangements may be needed, for example, to cover the period pending the recruitment of Executive Directors or the finalisation of practical and logistical arrangements.

6. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 6.1 Over recent months the CEO and ELT have set aside time to carefully consider the many parameters that have a bearing on the council's service planning, delivery and decision-making environment. The emerging senior management team proposals have also been discussed with the Administration. The proposals as currently finalised are presented as the optimum outcome following careful deliberation and, if agreed, will be kept under annual review.

7. COMMUNITY ENGAGEMENT & CONSULTATION

- 7.1 The report has been shared with key public sector partners and in many instances the proposed changes reflect strategic management discussions between public sector agencies. Changes to specific services arising from the council's modernisation programme and Budget Council decisions will continue to be consulted upon with local customers, clients, residents and businesses and reported to relevant policy and service committees.
- 7.2 Staff affected have been consulted as set out in paragraph 4 above and the outcome will be reported to the committee on the day of the meeting. The proposed changes have also been advertised on the Wave and in the CEO's Blog for all staff to read and comment upon through the consultation portal - consultation2016@brighton-hove.gov.uk.
- 7.3 The consultation paper was sent to the recognised trade unions 29 March 2016 and a consultation meeting with trade union colleagues was held 11 April 2016. A further meeting with the trade unions is being set up to ensure all consultation feedback has been considered before implementation is finalised.

8. CONCLUSION

- 8.1 The proposals presented in this report reflect careful consideration of a number of key drivers. The recommendations are considered to provide the optimum senior management team leadership in order to achieve current medium term objectives and initiatives and support improved planning and delivery of essential public services on behalf of elected Members.

9 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 9.1 This report identifies senior management and administration savings affecting Tier 1 to Tier 3 in addition to that achieved over the last 12 months (e.g. Tier 3 Head of City Services). It is anticipated that further savings will be found over the next 3 years as a consequence of:
- The Phase 2 process focusing on Tier 4 and below;
 - Phase 1 implementation and detailed Tier 3 and Tier 4 level reviews of 4 year business plans;
 - Orbis cross-council service rationalisation.

- 9.2 Management and associated administrative support savings (£214,326) currently identified to date in the re-organisation process are set out below:

Level		Net saving currently identified (Posts)	Net saving currently identified for 2016/17 (phase 1) (£)
Tier 1	Chief Executive	(1 executive support officer post)	(£44,915 included in Tier 3 figures)
Tier 2	Executive Leadership Team	1 Executive Director	£118,313
Tier 3	Corporate Management Team	3 Assistant Director posts (1 from Jan 17 – part savings)	£96,013
Tier 4	Senior Management Team	Subject to Phase 2.	

Financial Officer Consulted: Nigel Manvell:

Date: 11/4/16

Legal Implications:

- 9.3 The proposed changes require amendments to the scheme of delegations to officers. Under the Council's constitution, this is delegated to the Policy & Resources Committee. Subject to the agreement of P&R, detailed amendments need to be made to the council's constitution to reflect the principles set out in this report.
- 9.4 In accordance with employment law and the Council's change management policies, there is a requirement to consult the staff affected before any changes are implemented. This has been carried out and any responses taken into account.
- 9.5 The proposals in this report comply with legal requirements

Legal Officer consulted: Elizabeth Culbert

Date: 11/4/2016

Equalities Implications:

- 9.6 The council's statutory duties with regard to equalities legislation have been considered through the deliberations of the CEO and ELT. The formation of the Neighbourhood, Communities and Housing directorate affords a specific opportunity to strengthen how the council may better meet the diversity of local needs through its public service provision working with local communities and through partner agencies. The CEO and ELT will continue to seek to ensure, in recruiting suitably skilled and qualified managers, that the composition of the senior management team positively reflects the diversity of the local community.

Sustainability Implications:

- 9.7 There are no major change implications for the council's sustainability policies and practice. Accountability for the development of the council's environmental sustainability policies will be led by the Executive Director for Economy, Environment and Transport.

SUPPORTING DOCUMENTATION

Appendices:

Appendix 1: Schedule of Delegation Changes

Documents in Members' Rooms

None.

Background Documents

Brighton and Hove City Council Senior Management Team Reorganisation:
Consultation Document, March 2016

Appendix 1: Schedule of Delegation Changes

Function	Current Delegations	Proposed Delegations
1. Policy	Assistant Chief Executive	Lead for Governance and Democratic Services
2. Performance Improvement and Programmes	ED Finance and Resources	Lead for Governance and Democratic Services
3. Property	ED Finance and Resources	ED Economy, Environment and Transport
4. Corporate Communications	Assistant Chief Executive	Lead for Governance and Democratic Services
5. Overview and Scrutiny	Assistant Chief Executive	Lead for Governance and Democratic Services
6. Tourism	Assistant Chief Executive	ED Economy, Environment and Transport
7. Arts and Creative Industries	Assistant Chief Executive	ED Economy, Environment and Transport
8. Communities	Assistant Chief Executive	ED Neighbourhoods, Communities and Housing
9. Management of Establishments	Assistant Chief Executive	ED Economy, Environment and Transport
10. Libraries	Assistant Chief Executive	ED Neighbourhoods, Communities and Housing
11. Venues	Assistant Chief Executive	ED Economy, Environment and Transport
12. Archives	Assistant Chief Executive	ED Economy, Environment and Transport
13. Seafront	Assistant Chief Executive	ED Economy, Environment and Transport
14. Events	Assistant Chief Executive	ED Economy, Environment and Transport
15. Leisure	Assistant Chief Executive	ED Economy, Environment and Transport
16. Adult disability	ED Adult Services	ED Families, Learning and Children; ED Health Wellbeing and Adults (concurrent delegated powers)
17. Director of Adult Services	ED Adult Services	ED Health Wellbeing and Adults
18. General Adult Social Services	ED Adult Services	ED Health Wellbeing and Adults
19. Section 75 arrangements	ED Adult Services	ED Health Wellbeing and Adults
20. Supported Employment	ED Adult Services	ED Health Wellbeing and Adults
21. Housing Related Support	ED Adult Services	ED Health Wellbeing and Adults
22. Housing	ED Environment Development and Housing	ED Neighbourhoods and Housing
23. Public Health	Director Public Health	ED Health Wellbeing and Adults
24. Emergency Planning	Director Public Health	ED Neighbourhoods, Communities and Housing
25. Community Safety and Drug Action Team	Director Public Health	ED Neighbourhoods, Communities and Housing
26. Licensing and Registration	Director Public Health	ED Neighbourhoods, Communities and Housing
27. Trading Standards	Director Public Health	ED Neighbourhoods, Communities and Housing

