

**CABINET**

**CLLR GARETH WILLIAMS  
LEADER OF THE COUNCIL**

**21 April 2026**

**REPORT MD2602**

**KEY DECISION - YES**

**STRATEGIC MANAGEMENT ARRANGEMENTS**

**SUMMARY AND RECOMMENDATIONS:**

In March 2026 Cabinet Considered a report MD2601 extending the interim period for the Managing Director to enable work on the Council's management arrangements to be concluded post the Government decision on Local Government Reorganisation (LGR).

On 25 March the Council received formal notification of the decision to implement Local Government Reorganisation across Hampshire.

The purpose of this report is to now set out the proposed strategic management arrangements to enable the council to maintain services, ensure that the Council Delivery Plan 2026-28 is delivered and to support the delivery of LGR.

It is RECOMMENDED that Cabinet

- (1) Supports the proposed strategic management arrangements for the Council set out at Appendix 2 and notes that these will be reported to Council on 2 July in line with section 11.3 of the Constitution.
- (2) Notes that given the demands relating to Local Government Reorganisation the new chief officer post of Chief Operating Officer will be appointed as soon as practicable in line with the process set out in section \*\* and that an appointment panel consisting of four Members, including the Cabinet Member for Corporate Services and the Leader of the Council, has been established by the Interim Managing Director to undertake this appointment.
- (3) Notes that at the request of the Leader, the Licensing and Corporate Business Committee will be requested to establish an assessment panel to consider the permanent appointment of the Council's Head of Paid Service. That panel to include the Leader of the Council, Cabinet Member for Corporate Services and Leaders of other political groups.

## **1. INTRODUCTION AND BACKGROUND**

- 1.1. Report MD2601 set out the background to the work undertaken on the Council's management arrangements since the appointment of the Interim Managing Director. Council subsequently confirmed an extension to the interim period and confirmed the new role of Executive Head of Governance and Law as the Council's monitoring officer.
- 1.2. This report now sets out the remaining strategic management arrangements to be put in place, as soon as possible to ensure sufficient strategic management and leadership capacity to ensure operational delivery alongside implementation of LGR.
- 1.3. In addition, given the Council's financial position as set out in the budget report and matters arising since then it is clear to the Interim Managing Director that there will also need to be increased attention paid to the resolution of outstanding financial issues and maintaining focus on delivery and accountability for effective financial management alongside business as usual.

## **2. DETAILS OF THE PROPOSAL**

- 2.1. The strategic management structure (Appendix 2) seeks to strengthen capacity and support for the Head of Paid Service and LGR and ensure that the organisation continues to function effectively recognising the significant draw of resources towards LGR activity.
- 2.2. It has become clear over the last 12 months that the reduction of Director level capacity alongside the increase in LGR activity is starting to have an impact on the effective running of the organisation and risk of delays in delivery of key projects and essential service activity. The existing interim management structure (Appendix 1) is no longer fit for purpose. With the confirmation of the new Unitary Council arrangements, work on LGR is expected to increase significantly and the Interim Managing Director and others will increasingly be drawn into activity associated with LGR and the effective establishment of the new unitary council arrangements.
- 2.3. The existing Executive Director will continue with responsibility for the LGR programme, oversee the Council's priorities relating to Economy and Regeneration and maintain responsibility for major projects including the new Farnborough Leisure Centre and the National Armed Forces Day events. She will remain as deputy for the Interim Managing Director/Head of Paid Service.

- 2.4. To provide the additional capacity needed at chief officer (Director) level which is critical for the delivery of LGR, it is proposed to establish a new role of Chief Operating Officer. This post will operate as part of the strategic leadership team and will oversee a broad range of Council functions. The Interim Managing Director is comfortable that there are suitable internal candidates for the role. The final allocation of functions and the allocation of service heads will be confirmed following the appointment process but is anticipated the role will be wide ranging with both outward and internally facing functions to reduce the load on the existing Executive Director and the Interim Managing Director.
- 2.5. The arrangements for S151 officer as the Executive Head of Finance will remain unchanged however it is considered that the remuneration for this role should be determined on the same basis as the other Statutory officer, the Executive Head of Governance and Law. The additional costs are included in the financial implications. These two officers with the Head of Paid Service form the governance 'golden triangle' and work together to ensure good administrative, financial, and ethical governance of a local authority in the exercise of its functions. Further information on this can be found in this guide produced by Cipfa, Solace and LLG. [The Golden Triangle Governance Roles and Responsibilities.pdf](#)
- 2.6. The final elements of the Strategic Management arrangements recognise the strategic importance of the planned improvements to the property service and the income and financial risks associated with those functions. Currently led by the Executive Head of Property and Growth it is proposed to move this role to report directly to the Head of Paid Service and reduce the range to enable increased focus on key responsibilities. This has the additional advantage of local plan arrangements and key planning issues such as the airport being closer to the Head of Paid Service. The post of Executive Head of Operations is also proposed as part of the Strategic Management Arrangements.
- 2.7. Given the Council's financial position, in the event that the successful candidate is an existing member of the Senior Leadership Team, consideration will need to be given as to whether the vacated role is retained or repurposed with the subsequent reallocation of those responsibilities.
- 2.8. The appointment process for a permanent Chief Officer post at Executive Director level is through an appointment panel consisting of four Members, including the Cabinet Member for Corporate Services and the Leader of the Council. The appointment is then subject to confirmation by the Licensing and Corporate Business Committee. Given the desire to put these new arrangements in place as soon as possible, the Interim Managing Director has made provisional arrangements for the appointment process for the Chief Operating Officer to take place before the elections.

### **3. OPERATIONAL MANAGEMENT ARRANGEMENTS**

- 3.1. The final stage of the work on restructure will establish the future Head of Service and Corporate/Service Management arrangements (Operational Management) and will be agreed and implemented by the Interim Managing Director based on the following principles;

- Overall, the management arrangements should enable clear accountability and provide a named lead officer for each of the Council's priority themes, key projects and operational activity
- The proposed management arrangements should seek to increase capacity at strategic management level through transfer of some responsibilities to the operational management tier
- The proposed management arrangements should maintain capacity and skills in the current workforce and provide development opportunities for the existing workforce and minimise redundancies in light of LGR
- The arrangements should enable sufficient capacity to enable robust financial management and accountability
- The proposed arrangements should ensure that job roles are appropriately designated and described to ensure parity with other Hampshire district councils and no disadvantage to Rushmoor managers in relation to future appointments to new unitary authorities
- The arrangements should be delivered within the Council's approved budget combined with additional funding made available for LGR.

3.2. A consultation on proposed operational management arrangements will commence as soon as possible noting that the outcome of the appointment process to the Chief Operating Officer position may impact these arrangements.

#### **4. PERMANENT APPOINTMENT TO HEAD OF PAID SERVICE**

4.1. Through setting out the revised management arrangements in this report the Interim Managing Director has now completed the key tasks identified as part of the appointment process. It is therefore now appropriate to consider the permanent appointment to the role of Managing Director and Head of Paid Service.

4.2. The Leader of the Council is proposing that this be undertaken by way of an assessment process conducted by an Assessment Panel of members including the Leader and Corporate Service Portfolio Holder plus the leaders of other political groups. The Leader will be advised by the proper officer for HR matters. This process will be undertaken shortly after the elections.

4.3. In addition, the Leader is proposing that the permanent role be renamed as Chief Executive to bring the role in line with other Hampshire Authorities. This is shown in the proposed strategic management arrangements in Appendix 2 and will be confirmed by the Council in due course following the assessment process and decision on a permanent appointment to the role.

#### **5. ALTERNATIVE OPTIONS**

5.1. A wide range of proposals have been considered with the detail set out in report MD2601. The current proposal takes this into account and in the opinion of the Interim Managing Director provides a good balance between the new demands facing the organisation and business as usual. Alternatives included the initial proposal and the option of Statutory Officer and Executive Heads reporting

through the Chief Operating Officer. The Interim Managing Director feels on balance the direct reporting of Statutory Officers to the Head of Paid Service provides better access and oversight.

- 5.2. Further alternatives include making appointments from the external and/or interim market. Whilst this may become necessary the Interim Managing Director is keen to provide the opportunity to internal candidates in the first instance as he feels this will provide the most stability. There would be additional costs associated with the use of external recruiters.
- 5.3. It is also possible to make an external fixed term appointment rather than a permanent appointment. This would be an important consideration once the legislation relating to LGR is laid in the Autumn but is currently not an obligation and would deter internal candidates.
- 5.4. The final option considered would be to share a chief officer role with one of the local authorities who would be part of the new unitary authority. However, previous approaches to share roles have not been successful and all councils face similar capacity issues.
- 5.5. It is of course possible to make no changes to the current arrangements. Due to the time that has passed, the ongoing uncertainty the current pressures across the organisation this would not add capacity and given the feedback provided as a result of consultation this is not recommended.

### **Consultation**

- 5.6. In addition to the formal consultation with managers, consultation has been carried out with the Leader and Cabinet members.
- 5.7. Unison have been made aware of the proposals and any comments received will be reported to the Cabinet.

## **6. IMPLICATIONS (of proposed course of action)**

### **Risks**

- 6.1. There is a risk that it is not possible to recruit to the proposed arrangements in a timely way and that the salary expectations based on the market exceed current estimates. Recruiting permanent roles does take some time and it may be necessary to have some interim support during this period. In any event having permanent employees will over the remaining time of the Council cost less than utilising interim arrangements through an agency.
- 6.2. Restructuring must be done carefully with consideration to the current management team incumbents to avoid the risk of challenge. This is managed through formal consultation and identification of unintended consequences on individual post holders, ensuring equalities and rights are appropriately covered and mitigated.
- 6.3. The officer capacity is under significant pressure to prepare the council for Vesting day on 1<sup>st</sup> April 2028.

## **Legal Implications**

- 6.4. No specific legal implications apart from the requirement to ensure the Council has a continued designation of the Head of Paid Service. The Head of Paid Service role is a statutory role under Section 4 of the Local Government and Housing Act 1989.

## **Financial Implications**

- 6.5. The Chief Finance Officer designated as the s151 has a duty to ensure there is adequate consideration and mitigation of financial risk and appropriate regard to good governance, including senior management team capacity and focus to deliver good governance and mitigate risks. These are key building blocks to deliver a viable budget and developing sound financial management. It is crucial that the council achieves this over the next two years.
- 6.6. As reported to Budget Council on 26<sup>th</sup> February, the council has a significant financial challenge to resolve and has deferred its service review savings programme to the new council, relying upon reserves to set a balanced Budget in 2027/28.
- 6.7. Delivering savings in the last two years has been a challenge, whilst the council has also experienced a wide discrepancy between the forecasted position and the outturn and the balance sheet is still subject to ongoing audit and adjustment. Once the 2025/26 outturn is known, it is likely based upon the latest financial monitoring that the council will have to implement an accelerated savings programme. This will be an additional capacity pressure. Therefore, care must be taken in ensuring appropriately experienced capacity is secured to ensure the senior team challenge the services to deliver savings whilst delivering on LGR, delivery plan and other significant projects.
- 6.8. Experience of the current management arrangements over the last year has highlighted the capacity gaps in the current structure and the need to increase strategic capacity to maintain focus on all priorities including resolving the financial challenge. It is important that the restructure does not overly focus specifically on operational service delivery at the expense of losing strategic overview of all services.
- 6.9. As originally planned as an objective, due to current circumstances, it would no longer be appropriate for the council to be making savings in its senior management team capacity in the next two years due to the significant challenges set out in this report. Securing appropriately experienced capacity to deliver on all priorities may cost more in the next two years and will be an investment to ensure successful outcomes.
- 6.10. In due course the council will also need to have regard to the Section 24 Direction as described in the 26<sup>th</sup> February Budget and MTFs report. Paragraph 2.3 (page 132) describes the Section 24 Direction requirement that Officers and Members must have regard to not compromising the future sustainability of the

new council in decisions taken now. An example given being permanent appointments to senior positions (para 2.3).

- 6.11. The estimated costs of the new roles for the first stage of the structural changes are set out in Exempt Appendix 3. These costs and the cost of phase 2, operational management changes, will be met within the staffing and other appropriate available budgets.

*Comments by Peter Vickers CFO s151*

### **Resource Implications**

- 4.4 Undertaking the recruitment processes will require the involvement of the Council's People Team. In the event that posts are advertised externally there will be costs of advertising and potentially the use of appropriate recruitment services.

### **Equalities Impact Implications**

- 4.5 The officer appointments will be made in line with the Council's People processes and policies.

## **5 CONCLUSIONS**

- 5.5 This report brings forward proposal which will directly support the delivery of the Council's priorities, manage the financial position and ensure the well placed to address the impacts of the increased activity associated with LGR.
- 5.6 If cabinet support this report then the Managing Director will continue with implementation and report the final structures to Council in due course.

### **LIST OF APPENDICES/ANNEXES:**

List (if applicable)

### **BACKGROUND DOCUMENTS:**

Cabinet report - MD2601

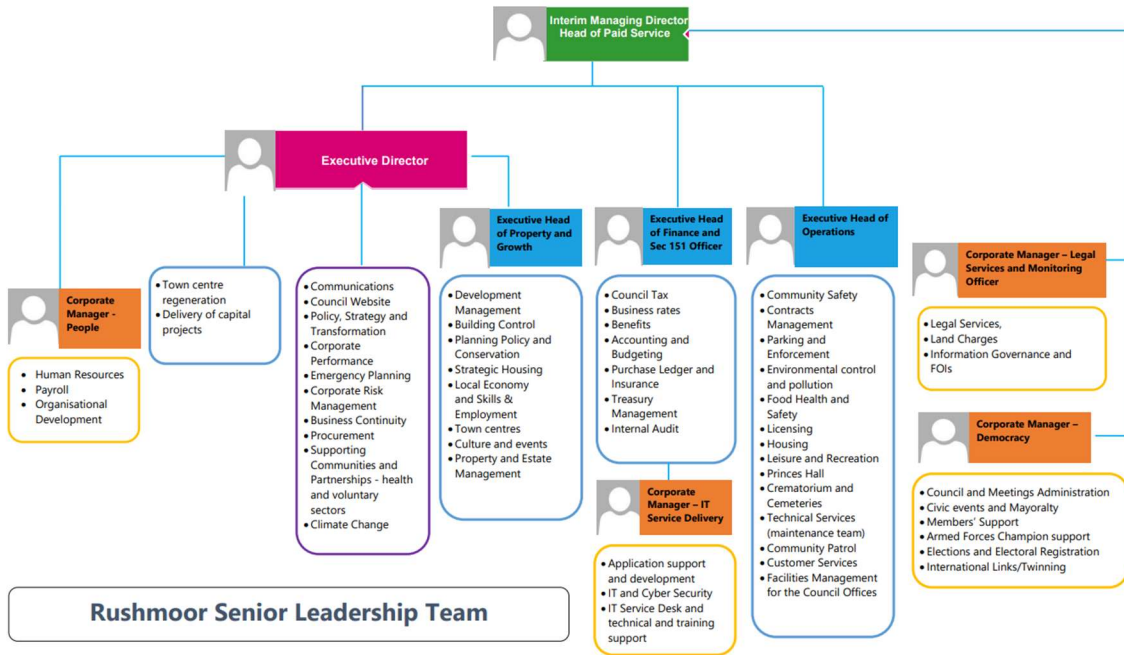
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# Appendix 1 Current Management arrangements



- Corporate Manager - People**
- Human Resources
  - Payroll
  - Organisational Development

- Town centre regeneration
- Delivery of capital projects

- Communications
- Council Website
- Policy, Strategy and Transformation
- Corporate Performance
- Emergency Planning
- Corporate Risk Management
- Business Continuity
- Procurement
- Supporting Communities and Partnerships - health and voluntary sectors
- Climate Change

- Executive Head of Property and Growth**
- Development Management
  - Building Control
  - Planning Policy and Conservation
  - Strategic Housing
  - Local Economy and Skills & Employment
  - Town centres
  - Culture and events
  - Property and Estate Management

- Executive Head of Finance and Sec 151 Officer**
- Council Tax
  - Business rates
  - Benefits
  - Accounting and Budgeting
  - Purchase Ledger and Insurance
  - Treasury Management
  - Internal Audit

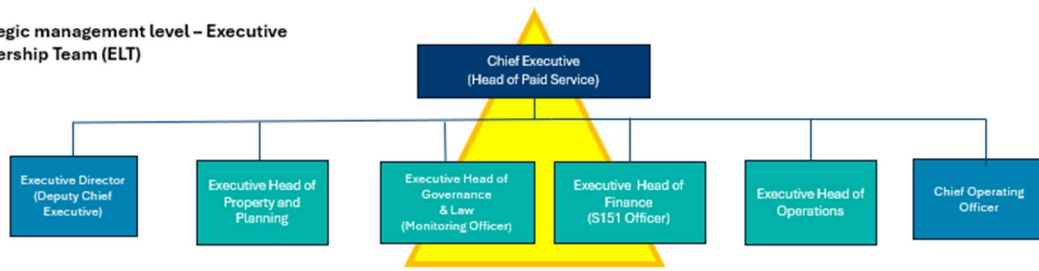
- Corporate Manager - IT Service Delivery**
- Application support and development
  - IT and Cyber Security
  - IT Service Desk and technical and training support

- Executive Head of Operations**
- Community Safety
  - Contracts Management
  - Parking and Enforcement
  - Environmental control and pollution
  - Food Health and Safety
  - Licensing
  - Housing
  - Leisure and Recreation
  - Princes Hall
  - Crematorium and Cemeteries
  - Technical Services (maintenance team)
  - Community Patrol
  - Customer Services
  - Facilities Management for the Council Offices

- Corporate Manager - Legal Services and Monitoring Officer**
- Legal Services,
  - Land Charges
  - Information Governance and FOIs
- Corporate Manager - Democracy**
- Council and Meetings Administration
  - Civic events and Mayoralty
  - Members' Support
  - Armed Forces Champion support
  - Elections and Electoral Registration
  - International Links/Twinning

## Appendix 2 – Proposed Strategic Management Arrangements

Strategic management level – Executive Leadership Team (ELT)



## Appendix 3 - Costs