

CABINET

**PAUL SHACKLEY
CHIEF EXECUTIVE
(HEAD OF PAID SERVICE)**

MAY 29th 2018

KEY DECISION YES

REPORT NO. CEX1802

ORGANISATIONAL REDESIGN & STRUCTURAL REVIEW

SUMMARY AND RECOMMENDATIONS:

Following the previous approval of the Council plan and consideration of the detail of the Modernisation and Improvement and Regeneration programmes on this agenda this report lays out changes to the senior management structure and functional arrangements going forward. The changes proposed will support the Council's priorities as laid out in the Council plan and will support the Council's journey to achieving financial sustainability and in becoming a more customer focussed Council delivering excellent services.

1) Members are recommended to:

- (i) Approve the new arrangements for the delivery of the Council's functions and services and endorse the revised senior management structure set out in this Report as determined by the Chief Executive under delegated powers.
- (ii) Authorise the Chief Executive, in consultation with the Leader, to make any further adjustments to the services and structures as part of the implementation process.
- (iii) Authorise the budget virement of existing staffing budgets to those posts outlined in the new structure as required and agree to delegate to the Chief Executive the ability to vire existing staffing budgets to enable efficient implementation of subsequent and future changes to the staffing structure to support the implementation of priorities, particularly the Regeneration and Modernisation and Improvement Programmes.
- (iv) Recommend to Council the changes to the arrangements for the role of Monitoring Officer, namely that the designation is to the Executive Director (Operations).

1. INTRODUCTION

- 1.1 Following the approval of the Council Plan in February and the establishment of the Modernisation and Improvement and Regeneration programmes considered earlier at this meeting, this report lays out changes to the Council's senior management structure and functional arrangements to enable delivery going forward. The changes proposed will support the

Council's priorities as laid out in the Council Plan and will support the Council's journey to achieving financial sustainability and in becoming a more customer-focussed council delivering excellent services.

2. BACKGROUND AND CONTEXT

- 2.1 Since May 2017, the Council has been going through a period of transition following the retirement of the previous Chief Executive who was very well respected and carried out the role for a number of years. The political leadership had also changed the previous year.
- 2.2 The existing ways of working and transformation approaches have been in place for some time. Given the new Council Plan, revised priorities and current financial pressures, these are in need of modernisation and refresh. The Council's future approach to modernisation and improvement are outlined in the previous report and the Council's organisational design needs to change to support this.
- 2.3 The existing senior management arrangements were established in April 2015 and it is normal for senior structures to be reviewed regularly to reflect changes to organisational priorities and internal and external demands.
- 2.4 A new structure has therefore been developed from a position of the need to strengthen senior management input into and leadership of a demanding and challenging programme of work. It has not been driven by the need to save money at senior level but to refocus resources in line with priorities and need. However, whilst senior management capacity has been maintained and strengthened in some areas, there is still an overarching requirement to achieve savings over the medium term. These will be delivered through the Rushmoor 2020 programme from 2019 but this report does outline the opportunity for savings from changes below senior team level, which can be taken forward for implementation by the end of the current financial year once the new structural arrangements are in place.
- 2.5 The intention is that the proposed new structure will take the Council through to the end of 2020 to coincide with the end of the Modernisation and Improvement Programme. After this time it may be necessary to make further changes. Whilst the structure will not achieve everything in one-step, as it is implemented, it will create a framework that better reflects the priorities of the Council, and enables essential savings to be made in future. Changes to some functions will also be needed to align services with the senior management changes. Subject to the approvals requested in this report, the revised structure will be implemented from the 1st June through to Autumn 2018, allowing for recruitment.

3. CONSULTATION

- 3.1 Prior to these proposals being developed, during 2017 there was a period of informal consultation and staff at all levels were asked to contribute. Many did which was both encouraging and reflected the extent to which employees at

the Council are bought in to what the Council is trying to achieve. In the autumn of last year, the existing senior management team also submitted proposals that suggested ways that the functional arrangements could be improved.

- 3.2 As Members will be aware, a new senior management structure was proposed by the Chief Executive and formally consulted on with those affected during February/March 2018. Members' were asked for their views at the same time and these have been taken into account alongside those of the affected staff in coming to these final proposals.

4. DESCRIPTION OF PROPOSED CHANGES TO SENIOR MANAGEMENT ROLES AND ARRANGEMENTS

- 4.1 The current senior management structure is set out at Appendix 1 for reference with the new proposed structure and associated organisation of functions at Appendix 2.

- 4.2 Below are set out the details of the proposals and supporting rationale.

Executive Team

- 4.3 A strong senior executive team is particularly significant in growing and developing any organisation. With the Council's increased need to modernise, improve services and manage performance more effectively whilst at the same time delivering major regeneration priorities there is now a need for a different focus at executive level. There is a requirement to pay more attention to programme and major project delivery, financial sustainability and the planning and development of the Council's workforce strategy.
- 4.4 The Executive Team will be responsible for providing strategic and policy development support to the Cabinet and will be accountable for delivering the Council Plan for the Council. The team will need to be 'change champions' and drive the necessary change that will benefit both the Council and the local community and inspire others to improve and modernise. They will need to take collective responsibility for the development of the Council's workforce to ensure the Council can deliver what residents and customers need and that it becomes sustainable and fit for the future.
- 4.5 The leadership offered by the new Executive Team, the mind-set and behaviours of team members, will set the tone for the organisation going forward and it is critical that the team works together effectively and collaboratively. As individuals, Executive Team members will be expected to act as positive role models and work to develop capability and distribute leadership throughout the organisation. They must personally demonstrate the behaviours in the Council's behaviours framework and actively nurture these throughout the Council.

Executive Team Work Programme

- 4.6 In order to deliver the Council Plan and drive modernisation and improvement there needs to be a clear focus by the Executive Team on the following critical activities.

Critical Activities:

- Organisational Strategy
- Development and oversight of major programmes and projects
- Financial Strategy
- People Development
- Performance Management

- 4.7 These activities will be addressed through an annual work programme aligned with the Council Plan. The Executive Team work programme for 2018/19 and key performance indicators are as follows and these will be regularly monitored and reviewed.

Executive Team Work Programme 2018/19

- Council Plan development and delivery
- Regeneration Programme – overview and performance
- Rushmoor 2020 Programme - overview and performance
- Medium Term Financial Strategy
- Oversight of major projects
- Policy Advisory Board / Scrutiny work plan
- Developing a Workforce Strategy

Executive Team Key Performance Indicators

- Performance of Rushmoor 2020 Programme
- Corporate Plan delivery
- Achievement of targeted income and savings
- Budget management

- 4.8 The Executive Team will be in place from the 1st June and will meet every other week focussing on the areas of work outlined above. The roles proposed to be included in this team include:

- Chief Executive
- Executive Director - Operations and Deputy Chief Executive
- Executive Director – Customers, Digital and Rushmoor 2020
- Executive Head of Finance
- Executive Head of People (once established following a review of the HR Service)

Chief Executive

- 4.9 This role will bring strong and compelling leadership to the Council, driving the implementation of the vision set out by Members and the strategic priorities of the Council. The focus will be on creating new and innovative ways to deliver the Council's aspirations, supporting Members and democracy and giving extra attention and pace to the Council's regeneration priorities.

Executive Director (Operations) and Deputy Chief Executive

- 4.10 This Director role will continue providing leadership to the Heads of Service responsible for the majority of 'front-line' and enabling services. The main focus of the role continues to be effective service delivery and performance, and it is also proposed to designate this post as the Council's Monitoring Officer ensuring that the Council has advice in terms of how it operates at Executive Team level. The post holder will also continue as Deputy Chief Executive.

Executive Director (Customers, Digital & Rushmoor 2020)

- 4.11 The second Director role will continue with the main emphasis on leading change and programme management. During the year, the focus will move from leading the Regeneration Programme (which will transfer to the Chief Executive) to driving modernisation and improvement. This will include development and delivery of the Rushmoor 2020 Programme with specific focus on ensuring the Council puts residents and customers at the centre of everything the Council does.

Executive Head of Finance (S151 Officer)

- 4.12 This role is retitled to better reflect its importance to the Council. Increasingly commercially focussed, this role provides leadership, advice and guidance on strategic finance matters, financial processes and procedures.
- 4.13 As the Chief Financial Officer (CFO) this position is the most senior financial professional that holds the financial reins of the Council and ensures that financial resources are brought to bear in order to achieve corporate objectives and priorities. It is proposed that this role assumes responsibility for the procurement function.

Executive Head of People

- 4.14 Rushmoor currently does not have an HR professional as part of its Corporate Leadership Team. Given the level of change being faced by the Council, it is considered appropriate to bring this expertise into the Executive Team. The role will be key to leading the development of the Council's new workforce strategy and making sure that the people policies, systems and processes within the organisation address the changing needs of the business and will work closely with the Executive Director (Customers, Digital & Rushmoor 2020) during this period and beyond.

- 4.15 The Council's current HR Manager, who is currently focusing on supporting this structural review, will undertake this role on an interim basis pending a review of the HR function in the second half of 2018/19. This review will make sure the Council's HR resources are appropriately targeted and aim to deliver a saving recognising the opportunity for efficiencies offered by recent moves to new technologies and self-service.

Heads of Service and Associated Changes

- 4.16 Whilst an effective Executive Team is essential for clear strategic direction, the majority of the services valued by residents or essential to the operation of the Council are managed by the Council's Heads of Service. These roles have not been reviewed for some time and the opportunity has been taken to refocus these roles better around the Council's current priorities and need to drive modernisation and improvement. These proposals set out a mix of new and revised roles at Head of Service level as set out below. It is envisaged that the Heads of Service along with the Executive Team will form the Corporate Leadership Team and will meet to consider areas of importance in terms of corporate management, performance and operation.

Executive Head of Regeneration and Property

- 4.17 There is widespread acknowledgement that the Council should resource its regeneration priority appropriately. This new role ensures that a suitably qualified and experienced professional can take the programme forward. The title reflects the importance being placed on the role and the tying in of the Council's property and highways / infrastructure functions ensures that they underpin and contribute to the Council's regeneration objectives. Currently, the Council is buying in this level of resource, which is an expensive option for what is the Council's main priority.

Regeneration Team

- 4.18 The new Executive Head, once in place, will review the resources that have been allocated to delivering the regeneration programme. However, from the 1 June the three roles that are currently supporting the programme will be formally redesignated and form part of the new Regeneration and Property Service.

They are:

- Regeneration Delivery Manager (currently Principal Regeneration and Planning Officer)
 - Regeneration Programme Manager (currently Corporate Projects Officer)
 - Housing Enabling and Development Manager (Currently Housing Strategy and Enabling Manager)
- 4.19 It is also proposed that the Council take on a National Graduate Development Programme Trainee (minimum 2 year commitment) to work across the regeneration and property service.

Head of Customer Experience

- 4.20 In order to deliver the Modernisation and Improvement Programme (Rushmoor 2020) a senior resource is needed, initially providing capacity to the Executive Director to deliver the change programme that is required to create a shift to a truly customer-focussed organisation. Over time, this new role will evolve into one responsible for the majority of customer facing services, once the Rushmoor 2020 programme has been fully delivered. A dedicated focus on the Council's customer experiences ensures that the aspiration of Listen, Learn, Deliver Better can be met.
- 4.21 The role will drive customer service excellence across the organisation and develop a 'one council' customer facing team. This will include promoting a culture of customer first, using customer insight and intelligence to redesign core processes and services and working with the Head of IT, Projects and Facilities to transform the website and enable effective and efficient digital services.

Head of IT, Projects and Facilities

- 4.22 This role remains largely unchanged but with a refocus on supporting delivery of the Rushmoor 2020 programme alongside the Head of Customer Experience and under the leadership of the Executive Director.
- 4.23 The post currently oversees two permanent and one seconded member of staff who support project and improvement work across the Council. These staff are essential to support the Council's major projects and Rushmoor 2020 moving forward. It is proposed to consolidate these roles into a 'Projects and Improvement Team' with the current temporary role being made permanent and filled through internal recruitment.

Head of Economy, Planning and Strategic Housing

- 4.24 The Council has no senior lead or specialist in terms of growing the economy and bringing together a cohesive approach to economic development. By creating a senior post, the Council's delivery of its policy objectives in this area will be strengthened. By tying together its approach to planning policy, strategic housing and skills in addition to its business support activities the Council will ensure a joined up strategic approach to 'place' that in time will achieve better outcomes for the local economy.
- 4.25 With the introduction of a senior resource leading on economic development, the existing role of Economic Development Officer will no longer be required and the existing post will become redundant.

Head of Democracy, Strategy & Partnerships

- 4.26 This revised role will be focussed on delivering the Council's approach to democracy, supporting and developing members, partnerships, performance

and critically, elections and associated activities. It will bring the Council's community development function alongside strategic and community partnerships to enable better alignment and focus on the current policy direction of empowering communities and local organisations.

- 4.27 A key priority for this role will be to drive the establishment of effective new arrangements for supporting members with scrutiny and policy development. Resources within the service will be re-deployed to this and to supporting the new Executive Team.

Head of Operational Services

- 4.28 This is a new role that brings together and focusses on delivery of the majority of operational services. The role is broad but recognising this, the post holder will be supported by number of operational managers. The post holder will be required to work closely with other senior roles particularly the Head of Customer Experience ensuring that performance standards are maintained or improved during a period of change. In time, as a result of the Customer Experience Project the role will evolve towards delivering an expert service to the Council's customer facing team and customers and managing the majority of the Council's external workforce and contracts.
- 4.29 The Executive Director will work with all Heads of Service to identify areas for realignment and consolidation that can deliver savings for the 2019/20 financial year as outlined in the financial section of this report.

Monitoring Officer and Legal Services

- 4.30 As mentioned earlier, it is proposed to designate the Executive Director (Operations) as Monitoring Officer ensuring that the Council has at senior executive level the relevant advice in terms of how it operates. This change was part of the consultation. As the post concerned is also Deputy Chief Executive a Deputy Monitoring Officer will be required for those periods when the Chief Executive is absent.
- 4.31 The existing role of Head of Legal and Estates is deleted under these proposals. The existing Legal Services Manager has also requested to leave under the Council's Mutually Agreed Resignation Scheme (MARS). A number of respondents to the consultation process identified that it would be important for the senior lawyer in the organisation to have ready access to the senior team. With property and estates functions transferring to the newly created Executive Head of Regeneration and Property, it is proposed to consolidate the residual legal functions and create a new post of Corporate Manager Legal Services to report directly to the Executive Director (Operations), supporting him in his role as monitoring officer, and to manage the Council's legal service going forward. The title reflects the corporate nature of this stand-alone service essential to the workings of the Council. This post will undertake the role of Deputy Monitoring Officer as Solicitor to the Council.

5. IMPLEMENTATION

- 5.1 Those affected by these changes will be supported throughout, with the process being managed through the Council's Organisational Change Policy. At this stage, it is not possible to determine whether there will be a need for external recruitment but if it is required or a form of internal assessment needed, it is proposed to utilise the services of Solace in Business in this regard. The Council has used Solace before and the company have significant experience of senior level recruitment in the sector and have a good knowledge of Rushmoor both in terms of the area and its context and the Council itself.
- 5.2 The Council is able to make a direct award to Solace through a pre-tendered framework. The potential costs of between £25,000 - £35,000 are included within the sums already set aside to support structural change. See paragraph 8.4 below.
- 5.3 The Council's Organisational Change Policy allows for the slotting in to roles of employees under specified circumstance. This will be out carried in line with that policy. Some of the roles will require recruitment and assessment (including internal candidates) which will be undertaken by the Licensing and General Purposes Committee in line with the Council's Constitution.
- 5.4 To enable a smooth implementation of these and future changes the Cabinet are requested to authorise the Chief Executive to agree virements of staffing budgets as required in line with the Chief Executives responsibilities and delegations as Head of Paid Service.
- 5.5 It may also be necessary for interim and transitional arrangements to be put in place to support implementation. This may require additional budget in the current financial year and it is proposed to be met from sums set aside within the Service Improvement Fund (SIF) as referred to in the Provisional Outturn report elsewhere on this agenda and under paragraph 8.4 below.
- 5.6 The new structure will also mean that changes will need to be made to the Council's Constitution to reflect the new structure, the revised portfolios determined by the Leader and the need for flexible and clear working arrangements. When the Council agreed the new governance arrangements in April authorisation was given for consequential changes to be made to the Constitution to include the changes set out in this report and the portfolio structure. Further adjustments may be needed as the new structure is bedded in.

6. LEGISLATIVE BACKGROUND AND REGULATORY FRAMEWORK

- 6.1 The changes in the report that affect individual members of staff will be managed through the Council's Organisational Change Policy. This policy lays out the process of how people are managed and supported through the process of change.

7. ALTERNATIVE OPTIONS & CONSULTATION

- 7.1 A number of alternative options were considered as part of the consultation but the structure outlined is seen as the most effective way to deliver the Council's objectives. Specific consultation has been carried with those affected and wider consultation has been carried out with Members to ensure that a variety of views and opinions have been heard.

8. IMPLICATIONS

Risks

- 8.1 There is a risk that during the implementation period uncertainty affecting individuals and vacancies in key roles will affect the delivery of services and morale for individual employees and the collective whole. Managers will look to manage this uncertainty and ensure that services are delivered as normal. The employment market may not support all roles being filled and in this event, the Executive Team will consider how roles should be filled on an interim or alternative basis.

Legal Implications

- 8.2 In terms of the structural changes proposed, consultation was carried out in accordance with the Council's Organisational Change Policy and employment legislation in respect of those employees potentially affected by redundancy.

Financial and Resource Implications

- 8.3 The proposals have a number of financial implications. The full year effect of the revenue budget is summarised in table 1 below. As set out earlier in the report, the initial structural changes at the senior level have not been driven by the need to make savings but to refocus resources in line with priorities and need, maintaining and in places strengthening senior management capacity. Following implementation of these arrangements there will be a further review of the Council's functions with a target to reduce the Council's baseline salary costs by £300,000 by 2019/20. This will be achieved through a combination of service review and further MARS offer.

Costs of new arrangements (full year effect)	£
New senior structure (CEX, Directors and Heads of Service)	970,900*
Less cost of existing arrangements (CEX, Directors, Heads of Service)	(936,700)
Less costs of Economic Development Officer and vacant apprentice post	(72,800)
Plus new posts:	
Graduate trainee (Regeneration and Property)	27,000
Project Manager/Improvement Officer (P/T)	30,500
Net annual cost of new arrangements	18,900
Less savings to be achieved for a full year effect in 2019/20 (through a combination of service reviews and further MARS offer) including review of HR function	(318,900)
Net annual saving	(300,000)

* subject to starting scale point of any new appointments

- 8.4 Potential redundancy and recruitment costs resulting from the senior structure review stand at around £378,000 (subject to final agreement and departure dates). This will use up the balance currently set aside as part of the Council's Flexible Use of Capital Receipts Strategy, for the purpose of organisational review (£257,000) and a proportion of the additional sum added to the Service Improvement Fund in 2017/18 for the same purposes. This leaves a balance of £260,000 ring-fenced to support further re-organisation (including any transitional arrangements) as well as any un-earmarked balance within SIF. This provides sufficient funding to meet any further costs associated with the next stage of the review. Spending against both capital receipts and SIF will be monitored and reported as normal through the regular budget monitoring process while progress against the savings target will be reported through the monitoring arrangements of the Rushmoor 2020 Modernisation and Improvement programme.

Equalities Impact Implications

- 8.5 There are no additional equality impacts arising from this report.

9. CONCLUSIONS

- 9.1 It is important for the Council to be increasingly flexible in how it targets its staff resources to ensure it can meet the demands and expectations set out in the Council Plan and major programmes. The proposed structure aims to ensure that the Council's priorities and objectives will be met, services modernised and improved and the regeneration delivered, resulting in better outcomes for local residents and businesses.

CONTACT DETAILS:

Report Author: Paul Shackley
Chief Executive

BACKGROUND DOCUMENTS:

Appendix 1: Previous senior management structure
Appendix 2: New senior management structure
Consultation document to those affected

Wider Leadership
Team

CHIEF EXECUTIVE

CORPORATE DIRECTOR

Ian Harrison
(Deputy CEx)

CORPORATE DIRECTOR

Karen Edwards

**Head of IT
and Facilities
Services**

Nick Harding

**Solicitor to
the Council**

Ann Greaves

**Head of
Finance and
Section 151
Officer**

Amanda
Fahey

**Head of
Democratic
and Customer
Services**

Andrew
Colver

**Head of
Environmental
Health and
Housing
Services**

Qamer Yasin

**Head of
Planning
Services**

Keith
Holland

**Head of
Community
and
Environmental
Services**

Peter Amies

IT
Facilities
Technical services
8 point plan
projects e.g.
channel shift
Digital Strategy
Business Continuity

Legal services
Monitoring officer
Property and
Estates
Land charges
Procurement

S151
Financial Services
Revenues
Benefits

Members' support
Democratic
Services
Elections
Customer Services
8 point plan
projects e.g. co-
location
Corporate strategy
Support to Chief
Executive
Partnerships and
Performance
Communications
Emergency
Planning


Housing services
Environmental
Health
Licensing
Supporting people,
families,
safeguarding
Community Patrol
CCTV

Planning policy
Development
management
Conservation
Building control
Transport strategy

Contract
management
Crematorium/
Cemeteries
Community
development
Community
facilities
Highways/Traffic
management
Community safety

Outline Senior Structure

Chief Executive

 - Executive Team

Executive Director
(Customers, Digital & Rushmoor 2020)

Executive Director
(Operations)
Deputy CEx & Monitoring
Officer

Executive
Head of
People
(Interim)

Executive
Head of
Regeneration
& Property

Head of
Customer
Experience

Head of IT,
Projects
& Facilities

Executive
Head of
Finance
(S151)

Head of
Economy,
Planning &
Strategic
Housing

Head of
Operational
Services

Head of,
Democracy,
Strategy &
Partnerships

Corporate
Manager
Legal
Services

Human
Resources
Learning and
Development
Payroll

Capital Projects
Highways and
Infrastructure
Property and
Estates
Regeneration
Programme

Branding
Communications
Customer
Experience &
Improvement
Customer
Intelligence &
Insight
CSU
Media relations
Website Strategy

Co-location
Facilities
IT & Digital
Projects
Website
Infrastructure

Benefits
Finance, Audit
& Insurance
Procurement
Revenues
Risk
Management
(SRO)

Building Control
Development
Management
Economic
Development
Town Centres ,
Culture &
Events
Planning Policy
Skills
Strategic
Housing

Community
Safety (inc
CCTV)
Contracts
Bereavement
Services
Enforcement &
Operational
Parking
Environmental
Health
Housing
Options
Leisure
Licensing
Private Sector
Housing

Community
Development
Democracy
Elections
Neighbourhood
Renewal
Partnerships
Scrutiny &
Cabinet Support
Strategy &
Performance

Deputy
Monitoring
Officer
Legal
GDPR (DPO)
Land Charges

Executive
Team

