

B) RECOMMENDATION OF THE EMPLOYMENT AND APPEALS COMMITTEE FROM ITS MEETING HELD ON 12TH JULY 2022 - NEW MANAGEMENT STRUCTURE

1 Summary and Recommendations

1.1 This report sets out recommendations for how the Council's main functions are coordinated and appropriately managed. It outlines specific changes at chief officer and deputy chief officer level to enable the Council to deliver on its recently agreed corporate plan.

Recommendations:

The Council is requested to resolve that:

1. The proposed new structure be noted
2. To approve:
 - a. A new chief officer structure as set out in Appendix 1, to include an additional chief officer;
 - b. A new deputy chief officer structure as set out in Appendix 1, to include changes to existing Associate Director (AD) service responsibilities and the creation of new deputy chief officer roles, including a Chief Digital and Information Officer at a top salary range of over £100,000.
 - c. Delegated authority to the Monitoring Officer to amend Article 12, Part 3.6 and Part 7 of the Constitution to reflect the changes.
3. Delegate authority to the Chief Executive to undertake consultation of the proposed structure and agree the final details for the ED and AD roles, including the services to be managed under each.

Reason: Various recent reports have highlighted the need to significantly improve capacity and capability in the delivery of services. This requires a new structure at chief officer level and an increased capacity to enable the re-structures of services within the directorate to happen at pace.

Commissioner Review

This proposals in this report are supported by the Lead and Finance Commissioner.

2 Report

2.1 This report recommends changes to the Council's management arrangements to make it fit to deliver the first stages of Slough Borough Council's recently approved corporate plan, Doing right by Slough. Once agreed, the changes proposed here are to be started immediately but full implementation is likely to take until March 2023 as the replacement of interim staff with permanent employees is phased.

2.2 As the corporate plan articulated the Council is on a long-term path to recovery following the S114 notice in July 2021 and the intervention programme put in place by the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC). One factor that has placed a handbrake on progress during recent months and the initial stage of recovery is the current constraint of corporate capacity. This includes absence of change and organisational development capacity and capability, and a senior leadership team which consists almost entirely of interim support and other temporary or acting up arrangements. It establishes the delivery unit agreed within the plan and a clear,

robust Corporate Leadership Team structure. This report will therefore establish the initial capacity and capability to enable the Council to deliver the stabilisation and operating model stages of recovery outlined in the corporate plan. It should be assumed that the Council will need to revisit this structure during the operating model stage of the corporate plan and agree a long-term structure which will be fit for purpose for the new operating model.

Options considered

(a) Continue with existing structure

The Council is not currently operating under the chief officer structure as set out in the Constitution, as the directorates of Place and Customer and Community are being covered by one officer, pending consideration of a new structure. In addition some services that were in the Customer directorate have been managed by the interim chief finance officer, who is covering the role of Executive Director of Corporate Resources. In summary, the structure proposed under the Our Futures model has not been fully implemented, either at chief officer level or deputy chief officer level. This does not provide clarity for the staff nor does it provide the necessary capacity or capability to drive forward improvements.

(b) Agree to the creation of new and amended chief officer and deputy chief officer roles to manage newly defined directorates.

Whilst the Council may need to re-visit the management structure in the future, there is an immediate need for an increased capacity at both chief officer and deputy chief officer to drive forward the improvements and recovery required over the medium term and allow the Council to deliver on its priorities under the Corporate Plan. **This option is recommended.**

Background

2.3 The Council's management structure as set out in its Constitution reflects the changes agreed as part of the Our Futures programme. However, the programme was not fully implemented and staff departures at a senior level have led to a fragmented structure with high levels of interim and temporary arrangements in place, particularly at chief officer level. The Council has undertaken high level functional capacity and capability assessments across a range of services, which have highlighted the need for restructures in a number of key areas. However, the lack of capacity at chief and deputy chief officer level and in particular the lack of capacity to support strategy and organisational change is hindering progress.

2.4 Currently, the Council has a six-directorate design, although this is not operational. The six directorates, each with an Executive Director, in the constitution are:

- Corporate Operations
- Place
- Customer and community
- People (Children)
- People (Adults)
- Strategy

2.5 In addition, there are statutory chief officer roles as follows:

- Head of Paid Service – designated to chief executive
- Monitoring Officer – in structure reporting to Executive Director of Corporate Operations
- Chief Finance Officer – designated to Executive Director of Corporate Operations
- Director of Children’s Services – designated to Executive Director of People – Children (this post holder is also seconded for part of their time to act as chief executive of Slough Children First Ltd_
- Director of Adult Social Services – designated to Executive Director of People – Adults
- -Director of Public Health – designated to joint Director of Public Health – East Berkshire Council.

2.6 Given the significance of the challenges facing the Council outlined in the corporate plan, particularly in areas of housing and asset disposal, as well as the breadth of existing responsibilities it is proposed to change the individual roles’ spans of control and responsibilities in some areas and move the Council to a seven-directorate model. That is:

- Chief Operating Officer – to manage governance, transformation, communications, ICT, HR and customer services
- Strategy – to manage strategy, data and insight
- Finance and Commercial – to manage strategic finance, financial management, revenues and benefits and transactional finance, internal audit, corporate anti-fraud and commercial services
- Place and Communities – to manage environmental services and infrastructure services, regulatory services, community safety, leisure, libraries and other community services
- Housing and Property – to manage assets, including asset disposals and HRA and non-HRA housing services
- People – Adults – to manage Adult Social Care, People Strategy and Commissioning and Public Health
- People – Children – to manage education and inclusion services and children’s services that are not contracted out to Slough Children First

2.7 Consequently, it is recommended that the housing and property functions, currently managed across the Place and Customer and Community directorates are reshaped into a new Housing and Property directorate. The advantages of this are as follows:

- Housing services are managed within one directorate, instead of asset management being managed separately from tenancy management and housing needs.
- The asset disposal project is a major project that requires a dedicated and specialist resource to ensure delivery.

2.8 The new Housing and Property directorate will play an integral role in delivering the Council’s corporate plan. The Council’s financial future is heavily reliant on the successful delivery of the asset disposal plan which will be led from this directorate. Housing services is also a political priority for the Council and an area identified for important within the Council’s recovery plan so it is appropriate that this area is given renewed focus within the structure through which the Council intends to move forward.

2.9 The role of Executive Director for Finance and Commercial is a role created by the need for a focus on financial recovery and a dedicated, qualified officer fulfilling this role. A

report was taken to Employment and Appeals Committee in June with a recommendation to create a new Executive Director role, leaving the existing Executive Director of Corporate Resources to manage the other corporate teams. There will be a phased approach to transferring services due to the need to recruit to roles. Given the financial challenges facing the Council is it appropriate that the organisation's Section 151 officer is able to focus upon these challenges. The role of Executive Director of Corporate Operations has been renamed Chief Operating Officer to reflect the nature of the role as overseeing the day to day administrative and operational functions of the Council as a business organisation. Whilst all executive directors can deputise for the chief executive, the chief operating officer will often undertake this role unless there are service specific issues that are likely to need covering.

2.10 A number of existing chief officer roles are currently filled by interim officers, which means the sole permanent officer is likely to assimilate into an executive director role. The recruitment timetable for the other chief officer roles is broadly set out below, although this will depend on operational priorities:

- Chief Operating Officer – member panel in July with appointment to be made to commence in the Autumn 2022, with interim arrangements in place pending this
- Strategy – recruitment process to fill on an interim basis – Summer 2022
- Finance and Commercial – interim post holder in place until March 2023 – recruitment for permanent post holder from Autumn 2022
- Place and Communities – permanent post holder likely to assimilate into role
- Housing and Property – recruitment process to fill on an interim basis – Summer 2022 with a view to post holder being in place by October 2022
- People – Adults – acting up arrangement in place – permanent recruitment – Autumn 2022 with a view to having post holder in place by January 2023
- People – Children – interim post holder in place until end of 2022, interim recruitment – Summer 2022 with a view to longer term interim being in post from January 2023
- Monitoring Officer – interim post holder in place, member panel in July with appointment on interim basis to cover post until after May 2023 elections, whilst consideration is given to where this role sits in the structure.

2.11 At deputy chief officer level, the main changes are as follows:

- New roles of AD Transformation and Strategic Communications and Change.
- Role of AD Business Services changing to AD Customer and Business Services with deletion of AD Customer
- New role of AD HR, removing this responsibility from AD Business Services
- New role of Chief Digital Officer as reported in a separate report on the IT restructure
- Creation of new roles in finance, which were reported in the finance restructure report in June 2022.
- New role of Head of Service Community – replacing vacant role of Community
- AD Place Strategy is deleted, with responsibilities split between new AD Property, AD Strategy and AD Place Operations
- AD Place Operations to manage environmental services and infrastructure, with responsibility for asset management moving to new AD role
- New roles of AD Property and AD Housing to replace AD Community

2.12 There are more permanent staff at the AD level and the Council's policy and toolkit on organisational change will ensure that any officers whose role has been substantially

changed are either assimilated or ring fenced to alternative roles. It is anticipated that all existing post holders will move into roles in the new structure and there will be no redundancies as a result of this new structure.

2.13 Looking forward the management arrangements will need to be reviewed as the challenge changes. In particular, the corporate plan lays out a four-stage recovery journey which include a second operating model stage. This point will be critical in informing the longer-term management arrangements required in Slough with further changes likely then. In addition, the service restructures may highlight the need for further changes. This is particularly relevant in areas such as programme management, strategy and transformation and property as the level of resource built in at this stage may not need to be in place once the Council moved to a future delivery phase.

3. Implications of the Recommendation

3.1 Financial implications

3.1.1 The above structure changes require the creation of two new executive level positions – the Chief Operating Officer and the ED Housing & Property. There is therefore a requirement to create budget for these two positions. Additionally, while the position of ED Strategy exists in the structure there is no budget allocated and so this will be required as well. Furthermore, there are additional proposed positions in the revised structure which will be required to support the COO and ED Housing & Property and ED Place. These are as follows:

Under the Chief Operating Officer:

- AD Transformation
- AD Strategic Comms & Change
- A delivery unit team comprised of programme managers and project support officers
- Interim Monitoring Officer (for which the permanent post budget is insufficient)

Under the ED Housing & Property:

- AD Property
- AD Housing

Under the ED Place

- Head of Service, Community

3.1.2 There is currently no budget in the permanent structure for the above posts. Based on current known or estimated costings, timings of when individuals will come into the organisation, and whether on an interim or fixed term contract basis, this structure will require investment for the council of an estimated £1.998m in 2022/23 and £1.826m in 2023/24, net of the budget held for the Monitoring Officer. The rates applied in 2023/24 are based on salary rates rather than contractor day rates. It is assumed that the delivery unit will consist of interim appointments until at least April 2023 to allow the demand for this service to be assessed during the year and to give the Council flexibility in its financial commitments. These estimates will be refined once precise dates and amounts are known.

3.1.3 This is fully funded within the capitalisation direction. The monies being utilised are available until March 2024, by which point the Council will need to review the requirement for the positions, its financial position and how any consequential budget funding gap is to be met as it works through the overall budget process for 2024/25. This will be worked into the ongoing and future budget processes

3.2 Legal implications

3.2.1 The head of paid service has responsibility to report on the manner in which the discharge by the authority of their different functions is co-ordinated, the number and grade of staff required by the authority to discharge its functions, the organisation of the authority's staff and the appointment and proper management of staff. This report recommends changes to the Council's senior management structure to ensure the delivery of Council functions and services.

3.2.2 The function of appointment of staff must be discharged by the head of paid service or an officer nominated by him, with the exception of statutory chief officers, non-statutory chief officers, deputy chief officers or political assistants. Under the Chief Officer Employment Rules chief officers are appointed at a member level, however deputy chief officers are appointed at an officer level.

3.2.3 The determination of remuneration of or other terms and conditions applying to chief officers and deputy chief officers must comply with the Council's pay policy and are a matter for determination by the Employment and Appeals Committee, however guidance issued under the Localism Act 2011 states that decisions on remuneration over £100,000 should be determined by Full Council.

3.3 Risk management implications

3.3.1 Summary of risks:

Category	Risk/Opportunity	Controls	Residual Risk Score (1 (Low) to 10 (high))
Operational / Financial	Corporate team remains or reverts back to being under resourced and under skilled Impact: cultural and operational change is delivered slowly or not at all. Benefits are not realised in a timely manner. The financial challenges facing the authority worsen. Service quality diminishes	Timely additional temporary and permanent resources are identified and secured Strong employment narrative is developed to ensure Slough is able to attract and retain to appropriate levels of skill and experience Current team of interims are secured for the short to medium term Skills and knowledge transfer takes place	9
Legal	DLUHC and other regulators may not have confidence that the Council can address all the matters to the quality and in the time needed, leading to failure to meet best value duty and other statutory duties. Impact: More stringent conditions are applied to the Council. Staff leave to better their careers elsewhere. Services reduce in quality.	Employment of new finance team Employment of temporary additional resource Creation of appropriate permanent finance structure as part of this report External review comments on the newly instigated finance service	7
Strategic	Weaknesses in Council's strategic direction, governance, management,	Corporate plan seeks to address these issues and will be driven by the senior team with	7

Category	Risk/Opportunity	Controls	Residual Risk Score (1 (Low) to 10 (high))
	<p>financial reporting and performance management continue</p> <p>Impact: The Council fails to take advantage of opportunities as they arise. The residents and businesses of Slough experience a lack of direction in terms of service delivery. Government imposes greater intervention and conditions on the Council</p>	support from the officers outlined in this report.	
People	<p>A lack of permanent leadership impacts the ability to recruit and retain and the health and well being of current team</p> <p>Impact: significant health and wellbeing issues for the staff Morale in the greater staff population falls Filling vacancies becomes more difficult with knock on impact on service delivery and the budget Service delivery quality falls – the people of Slough experience significant service issues</p>	<p>Recruit permanent team</p> <p>Implement communication strategy across the Council with regular updates</p> <p>Ensure all organisational leaders and managers are engaging regularly with staff with regular staff engagement sessions.</p>	7

3.4 Environmental implications

3.4.1 None

3.5 Equality implications

3.5.1 The assessment and recruitment process is constructed to ensure equality of access and non-discrimination.

3.6 Procurement implications

3.6.1 None.

3.7 Workforce implications

3.7.1 The Council's policy and toolkit on managing organisational change requires the Council to follow a fair process, minimise any anxiety experienced by those affected by the changes, include meaningful consultation with the appropriate employees, trade unions and other relevant stakeholders, communicate a clear timescale for the organisational change programme and ensure that the process is clear and understood by relevant parties, actively encourage employee engagement and be consistent and maintain transparency.

- 3.7.2 The Council has a statutory duty to consult with all affected employees and recognised trade unions on any proposed organisational change. This includes consultation on the proposed organisational change and the rationale for such changes, the anticipated timescales and the processes that will be followed, including job matching, redundancy selection, redeployment and ring fencing where applicable. In addition individual consultations must take place with employees to discuss their individual circumstances, selection decisions and search for alternative employment.
- 3.7.3 Part of managing the organisational change process is agreeing a communication plan covering key messages regarding the business case for change, who will be consulted, timescales, the single point of contact, FAQs and advice and support.
- 3.7.4 Whilst there are no anticipated redundancies as a result of the proposals, as the proposed change involves changes in the nature of some posts and creation of posts that substantially affect how the services operate, consultation will be undertaken on the new ED structure and the changes to services managed by ADs.

3.8 Property implications

3.8.1 None

4. Comments of other Committees

The Employment and Appeals Committee considered the report at its meeting held on 12th July 2022 and agreed to recommend it to Council for approval.

5. Appendices

Appendix 1 – New Management Structure

6. Background Papers

None