

Slough Borough Council

Report To:	Employment Committee
Date:	22 nd June 2023
Subject:	Senior Management Restructure Update
Chief Officer:	Stephen Brown, Chief Executive
Contact Officer:	Sarah Hayward - ED Strategy and Improvement Stephen Taylor - Interim Monitoring Officer Surjit Nagra – AD Human Resources
Ward(s):	None
Exempt:	No
Appendices:	None

1. Summary and Recommendation

- 1.1 This report sets out for the committee an update on the proposed senior management restructure which is scheduled to be launched in July 2023. A verbal update on the progress of the current informal consultation on the proposed structure and the next steps will be given to the committee at the meeting.

Recommendation:

Committee is recommended to:

- Note the contents of this report.

Commissioner Review

The commissioners support efforts to improve the overall management of the authority. The senior structure and appointments / dismissals thereto are specifically functions covered by the directions and the commissioners will need to see more details before they are able to agree the formal proposals.

2. Report

Introductory paragraph

- 2.1 As articulated in the Council's Corporate Plan, the Council is on a long-term path to recovery, however, to deliver this we need corporate capacity. A restructure took place in October 2022 to establish a structure which would increase capacity at the top levels of the organisation to deliver the stabilisation and operating model for recovery. This would in turn deliver resources to allow the Council to focus on changes required in services and at other levels of the organisation.
- 2.2 In October 2022 the Council did not have a permanent Corporate Leadership Team (CLT) in place. The Council now has a permanent CLT, the last postholder taking

their role in March 2023. CLT have been discussing the capacity and the need to drive through activities related to the recovery programme at pace. These discussions have led to outlining the need to re-organise services which sit under the current directorates.

- 2.3 A proposed structure has been developed which has been informally consulted on with affected staff and trade unions. This process has led to further changes that will be made because of the valuable feedback from staff. A formal consultation document will be prepared and shared with trade unions which will set out Slough Borough Council (SBC)'s proposals for changes to the structure of the Council's corporate management structure. It will propose some changes to the responsibilities of the existing Executive Director (ED) roles and propose the creation of a Director / Head of Service structure in succession to the current Associate Director (AD) / Group Manager (GM) roles.
- 2.4 As members will be aware, with effect from 1 September 2022 and following the Commissioners' initial six-month report to the Secretary of State, the Minister expanded the Directions to the Council in Annex B of the Directions to include the following:
"5. All functions to define the officer structure for the senior positions, to determine the recruitment processes and then to recruit the relevant staff to those positions."
- 2.5 'Senior positions' is defined in Annex B of the Directions as 'direct reports to the Chief Executive and their direct reports, and their Group Managers – tier one, tiers two and three.
- 2.6 On that basis, the Commissioners will be kept fully informed through the process, and have the power to intervene if they so wish.

Background

- 2.7 2021 and 2022 have been very challenging years for Slough Borough Council and its staff. The very serious financial challenges highlighted by the s151 officer in July 2021 were confirmed on 25 October 2021 when the Department for Levelling Up Housing and Communities (DLUHC) Governance report and the Chartered Institute of Public Finance and accountancy (CIPFA) report on the Council's finances and governance processes were issued. The significant underlying weaknesses highlighted in these reports had arisen over a period of several years and represented the combined impact of a wide range of issues including, but not limited to, significant capacity and capability issues.
- 2.8 The consultation document will outline a fit for purpose structure which will be aligned to the priorities to be set out in the Council's intended new corporate plan. It will affect the top three tiers of the organisation: Executive Directors, Associate Directors, and Group Managers. These tiers will be replaced by ED's, Directors and Heads of Service, and will increase the capacity and capability to address the concerns that have been highlighted.
- 2.9 Below are further key changes that are proposed which are being consulted on:
- To formally delete the current Place and Community directorate and distribute the functions between other EDs.

- To delete the current AD and GM roles which were created in Our Futures and create new posts of Directors and Heads of Service.
- 2.10 The Council's organisational change policy is being followed for the proposed restructure. There has been an informal consultation process that was in place with the affected staff seeking their views on the proposed structure and requesting expression for voluntary redundancy (VR).
- 2.11 The Council's policy encourages the reduction of the likelihood of redundancies in the event of a change in several ways, including offering an opportunity for employees to express an interest in voluntary redundancy (VR) and/or early retirement. The opportunity for any permanent Executive, Associate Director, and Group Managers to confirm if they wish to be considered for voluntary redundancy was encouraged during the informal stage. An expression of interest does not imply any commitment on the part of the employee or the Council that this will be agreed.
- 2.12 One VR request from an ED meant that a revised proposed structure was circulated to the affected staff for further views. This model proposed five ED's and not six from the original proposals. A formal consultation period is expected to commence in July with affected employees and trade unions. Subject to consultation, in the event that the VR request is agreed and approval is required by the Council in relation to the redundancy cost resulting from that, it is anticipated that a report will be made to the July Council meeting.

3. Implications of the Recommendation

3.1 Financial implications

- 3.1.1** The ED posts will retain the same role profile and grade as the current roles. The Director and Heads of Service roles will be evaluated once the job descriptions have been finalised. The intention is to ensure that those roles will have an accountability for the delivery of their services which the current AD / GM do not have.
- 3.1.2 In accordance with our current organisational change policy, and to minimise redundancy costs, where suitable alternative employment can be offered to those who would otherwise be made redundant this will be done.
- 3.1.3 Any redundancy costs will be met through existing financial resources.

3.2 Legal implications

- 3.2.1 The rules governing recruitment and appointment of staff are set out in the Constitution. This includes the rules for appointment of chief officers, which includes the need for elected members to decide on these appointments, except when an interim is being appointed pending permanent recruitment. The DLUHC statutory Directions give powers to the appointed DLUHC Commissioners to make decisions on senior officer recruitment for the top three tiers of the organisation. The Commissioners have used this power to appoint the Head of Paid Service/Chief Executive in March 2022, the Monitoring Officer in August 2022, and the s151 Officer in January 2023.

3.2.2 The Localism Act introduces duties in relation to transparency in pay policies and arrangements. The guidance associated with this legislation states that due to public interest in the level and frequency of severance payments being made in particular to senior officers, to ensure that decisions to spend local taxpayers' money on large pay-offs are subject to the appropriate level of accountability, local authorities should offer full council the opportunity to vote before packages over £100,000 are approved. This is particularly important in a situation when it is likely that there will be a delay in the accounts for the relevant year being closed, signed off and published.

3.3 *Risk management implications*

3.3.1 Without a full complement of staff in the senior management structure there is the risk of failure of service delivery.

3.4 *Environmental implications*

3.4.1 There are no specific environmental implications arising from this report.

3.5 *Equality implications*

3.5.1 As part of the consultation process a detailed Equality Impact Assessment will be conducted. As this is an internal process which affects the workforce it does not require a public consultation.

3.6 *Procurement implications*

3.6.1 Not applicable for this report to the committee.

3.7 *Workforce implications*

3.7.1 The consultation process will follow the Councils Organisational Change Policy and Procedure

3.8 *Property implications*

3.8.1 Not applicable for this report to the committee.

4. Background Papers

None