

CABINET

12 JANUARY 2016

CHANGES TO THE SENIOR MANAGEMENT STRUCTURE

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Summary

This report provides a summary of the consultation responses and asks Cabinet to propose a set of recommendations to Council on changes to the senior management structure.

1. Budget and Policy Framework

1.1 Changes to the senior management structure are a matter for Council. Accordingly, Cabinet is asked to consider the consultation responses and make recommendations to Council.

2. Background

- 2.1 The Council is facing unprecedented financial challenges over the next few years. At the meeting in September 2015, Cabinet discussed the medium term financial plan that reported a funding gap for 2016/17 of some £13.85m. The appointment of a new Director of Regeneration, Community and Culture has given the Council the opportunity to review the senior management structure both within that directorate but also more broadly across the Council.
- 2.2 At its meeting on 27 October 2015, Cabinet gave approval to commence formal consultation on proposals for a slimmer senior management structure which is considered more effective and fit for purpose, reflecting the priorities and shape of the organisation today but, more importantly, the demands of the future.
- 2.3 The proposal placed a priority on delivering efficient front line services and reducing senior management in the business support department. There is clearly an imperative to achieve cost savings to address the financial challenges ahead and the recommended proposal which has been consulted on provides an annual revenue cost saving of approximately £300,000.
- 2.4 A formal 30 day consultation period has been undertaken with trade unions and the staff directly and indirectly affected.

3. Principles for the review

- 3.1 The last review of the Council's senior management structure was approximately six years ago when the Council moved to a two directorate 'people and place' model as well as combining the roles of some assistant directors. Given the rapid changes that have occurred in the sector in recent years, this is perhaps a long period without review
- 3.2 The senior management reorganisation proposals have been developed first and foremost to reinforce the achievement of Members' priorities but in so doing they also reflect certain guiding principles, with a revised structure that:
- maintains our commitment to front line services, ensuring delivery is to a high standard and valued by our residents;
 - delivers savings and efficiencies, with a reduced corporate centre, including only statutory prescribed senior management posts;
 - is fit for purpose, reflecting the priorities and shape of the organisation today but, more importantly, that required for the future;
 - supports a culture that is agile and enables pace and flexible working;
 - offers increased opportunities, succession planning and career development for enthusiastic and ambitious middle managers;
 - is innovative in its thinking, offering a platform for further change and development, including shared services and greater local authority partnership working, increases the scope for trading, and devolution opportunities;
 - gives momentum to move to a more commissioning organisation; and
 - reiterating the principles above, it must support the Council's priorities, particularly ensuring a focus on the delivery of our ambitious regeneration programme, enhancing the public realm and providing homes for Medway residents.
- 3.3 Responding to the financial challenges confronting the Council is a key driver in proposing a reduced senior management structure. It is one important and necessary measure to assist with addressing the funding gap outlined above.

4. Outcome of the consultation

- 4.1 In total 13 responses were received during the 30 day consultation period. Each of these has been reviewed by the Chief Executive and the Director of Regeneration, Community and Culture (RCC).
- 4.1.1 The following points are themes from across the responses received together with an outline of the consideration and outcome. A summary of all the responses can be found at Appendix A.
- 4.2 Why is the Transformation area being placed under the Director for RCC and not the Chief Executive?
- 4.2.1 The reorganisation proposals seek to embed our 'one-council' approach, and the leadership of the Transformation agenda being placed with the Director, reporting to the Chief Executive, supports that agenda. In addition, the principles of the reorganisation as laid out earlier in the report are to streamline the corporate centre. The placing of the transformation team under the Chief Executive would not meet these principles but would in fact represent an addition of two service managers.

4.3 Should NORSE be considered as an alternative delivery model for further Greenspaces services?

4.3.1 Given the successful implementation of the Norse model and the maturity of our arrangements, it is considered appropriate to take on board the proposals from the consultation and revisit the initial proposals. In light of the consultation it is now proposed that responsibility for clienting the Grounds Maintenance and Tree Contracts could be delivered through the Norse partnership. Under this model the Greenspaces Development Team will report to the new Head of Regeneration Delivery post, with the Ranger Service continuing to be the responsibility of the Head of Safer Communities, but given these changes, there is no longer a 30% change to the role, and so the post will no longer be affected by the proposals. Formal consultation with affected staff will need to be undertaken before a final decision is made by the Director of Regeneration, Culture, Environment and Transformation under already existing delegated authority.

4.4 MACLS, Customer Contact, Libraries and community hubs do not naturally fit into the transformation area and should be in frontline services

4.4.1 Customer Contact, Libraries and Community Hubs will play a pivotal role in the Transformation agenda through the provision of “assisted digital” support. Our aspiration to move as much of our services online to be provided digitally, will require the provision of support to our communities to enable that change. Given the clear synergies between Customer Contact and Community Hubs, this assisted digital role will ensure our customers are better supported to embrace these changes. The provision of training through MACLS further supports this agenda, and bringing these services together under a single leadership will ensure there is a strategic focus given to this vital component on our Transformation programme.

4.5 The RCC performance hub should not be in the transformation area but should remain within front line services.

4.5.1 The RCC performance and intelligence hub has responsibility for corporate activity which spans the Council, including Risk Management and Business Continuity. Given the close working with the Corporate Head of Performance role, it is appropriate to co-locate in the Transformation Division.

4.6 Responsibility for delivery of the digital programme should remain within Communications.

4.6.1 Digital is one aspect of the transformation programme needed to meet future service and budget needs. Organisational change, ICT enablement, continuation of the agile working programme, service re-alignment and business process reviews will also be key in ensuring the programme is a success. The Head of Transformation will be required to co-ordinate these strands of work but the Communications team will continue to be responsible for the delivery of the digital by default programme.

5. **Advice and Analysis**

5.1 Consequences of a reshaped RCC directorate.

5.1.1 The services contained in the front line division will be enlarged to enable a better ‘place’ alignment. In contrast, there will be a significant addition to the existing housing and planning division, augmented by all leisure and cultural services to more effectively integrate our physical, and cultural regeneration aims.

5.1.2 As explained above, creating a new transformation division offers increased capacity and the opportunity to research, review and implement different ways of working across the Council. ICT services will enable transformation projects to be implemented end to end. In the same way, HR services will support organisational reform by driving cultural and behavioural change that is so crucial to ensure the new ways of working are embedded, sustained and successful. Placing the administration support team(s) in this new division will also support this aim. This division will operate differently, it shall be project based with a task/finish ethos to help shape the organisation for the future. Hence it shall be agile in character.

5.2 Children and Adults services

5.2.1 At this stage, it is difficult to consider options for a different senior management structure in the Children and Adults directorate. Members have emphasised the importance of stability and continued improvement in Children's Social Care.

5.2.2 Adult services is currently implementing a challenging array of new responsibilities arising from the Care Act. At this stage, therefore, it is prudent to implement and embed these successfully.

5.2.3 The Assistant Director Commissioning post is jointly funded with the Clinical Commissioning Group (CCG). We would not want to implement any change that precipitated a loss of health partnership funding.

5.2.4 Therefore, given the sizeable challenges confronting the Children and Adults directorate, it is premature to change senior management at this stage. However, there is scope to consider rearranging functions and reviewing the configuration of certain services, which should be considered at some future stage.

5.2.5 Overall it is appropriate to revisit the senior management structure in this directorate in the future. We will then have defined more clearly our commissioning intentions, and we will know the partnership opportunities available for some of these services.

6. **Risk Management**

6.1 There is really only one significant risk which relates to loss of assistant director capacity and expertise, recognising that Medway's senior management team is already slim compared to most equivalent local authorities. There is some validity in this concern however, the funding gap confronting the Council and the need to implement structures that are agile and fit for the future, necessitate this senior management review. The key mitigation, which accords with one of the guiding principles referred to earlier in the report, is that the restructuring proposal (particularly within the new transformation division), gives the opportunity for some of our more ambitious and capable service managers to assume an increased and more senior role. It is believed there is scope to allow this to occur and to create valuable spare capacity in implementing the new structure.

7. Financial implications

7.1 The cost of the existing corporate management structure is approximately £1.8m. A review of the senior management structure will give the Council the opportunity to reduce some of these costs.

7.2 Analysis of the options outlined in the previous Cabinet report are, in part, repeated below, offering the following cost savings:

| | £000s | £000s |
|---|----------------|--------------|
| Lean corporate centre | | |
| - delete two corporate assistant director posts | 237.4 | |
| - less recompense to service managers to mitigate key risk | <u>(10.0)</u> | <u>227.4</u> |
| Or | | |
| Lean corporate centre | | |
| - delete two corporate assistant director posts | 237.4 | |
| - create new transformation assistant director in new regeneration, culture, environment & transformation directorate | <u>(120.0)</u> | 117.4 |
| Reconfigured Place Directorate | | |
| - delete deputy director role | 127.5 | |
| - less recompense for reallocation of responsibilities to others | <u>(10.0)</u> | 117.5 |
| - Deletion of Service Manager post | | <u>65.0</u> |
| - Total savings | | <u>299.9</u> |

7.3 The consultation process also included merging two service posts in the new RCET directorate to create a new post entitled Head of Regeneration Delivery. If this is taken forward, it would result in the deletion of one service manager post, yielding a further saving of approximately £65,000. This is reflected in the table above giving total savings estimated at approximately £300,000 annually.

7.4 The figures illustrated above do not include further savings that could arise from team and service reviews that would naturally follow this restructuring. Also, staff reduction costs (e.g. redundancy) are not factored in, but should they arise these will be 'one off' and funded from the central provision. Hence, these costs would not impact on the revenue account.

8. Legal Implications

8.1 The Chief Executive as Head of Paid Service must share proposals such as these with all Members of the Council. The Leader and Cabinet have ultimate executive responsibility and it is therefore appropriate that they, in consultation with the Chief Executive make recommendations to full Council having taken account of consultation responses.

8.2 The proposed redundancies are being carried out in accordance with the Council's reorganisation procedure, and formal consultation with the trade unions and staff has taken place.

- 8.3 The Council must ensure that the process for any proposed redundancies complies with the required statutory obligations to inform and consult employees both collectively and individually under Section 188 of The Trade Union and Labour Relations (Consolidation) Act 1992. The Council is also under a duty to inform the Secretary of State under Section 193 of the above Act about proposed redundancies, where the relevant threshold has been met.
- 8.4 The process adopted must be in accordance with the Council's Organisational Change Policy (including redundancy) and comply with the general principles of fairness to minimise the risk of successful Employment Tribunal claims.
- 8.5 If the Cabinet agrees to recommend the changes outlined in this report to full Council for approval, the constitutional changes required as a consequence of proposed changes to the senior management structure will also be reported to the Council meeting on 21 January. These will be relatively minor changes to align the Officer scheme of delegation and Overview and Scrutiny Committee Terms of Reference with the new organisational structure.
- 8.6 The Council has legal duties to pay due regard to the need to eliminate discrimination and promote equality. A Diversity Impact Assessment is attached at Appendix 6 and based on the evidence available it is recommended to proceed with the proposed changes to the senior management structure.

9 Recommendations

- 9.1 Having carefully and fully considered the consultation responses, using the principles for reviewing senior management outlined earlier in this report, Cabinet are asked to make the following recommendations to Full Council:
- 9.1.1 To delete the following posts:
- Deputy Director Regeneration Community and Culture
 - Assistant Director Customer Contact, Democracy and Governance
 - Assistant Director Communications, Performance and Partnerships
 - Assistant Director Organisational Services
 - Assistant Director Housing and Regeneration
 - Head of Greenspaces, Heritage and Libraries
 - Head of Regeneration and Economic Development
 - Head of LGF Projects
- 9.1.2 In order to capture the importance of environmental services for residents and to reflect the priorities of the Administration, to agree that the new directorate be named Regeneration, Culture, Environment and Transformation.
- 9.1.3 To agree that the following new posts should be created in the Regeneration, Culture, Environment and Transformation directorate
- Assistant Director Transformation
 - Assistant Director Physical and Cultural Regeneration
 - Head of Transformation
 - Head of Regeneration Delivery
- 9.1.4 To agree to change the job title of Assistant Director Legal and Corporate services to Chief Legal Officer.

- 9.1.5 To agree to transfer responsibility for Elections and Members' Services and Democratic Services to the Chief Legal Officer.
- 9.1.6 To note the proposals laid out in 4.3.1 of this report regarding the transfer of Grounds Maintenance to Norse.
- 9.1.7 To agree to continue to integrate public health services across the Council noting that the Director of Public Health (DPH) is a joint appointment with Public Health England and there will be a vacancy from March 2016, the Chief Executive will make recommendations to Members in due course on options for filling this post.
- 9.1.8 To agree that the organisational change will be undertaken, creating the new Regeneration, Culture, Environment and Transformation directorate (Appendix 4 to the report) and revised Chief Executive and Business Support Department (Appendix 5 to the report) on 1 April 2016.

10. Suggested reasons for decision(s)

- 10.1 To accord with our constitution and policies, where restructuring of this nature is proposed a report back to Cabinet with the outcome of the consultation exercise and ultimately a report to Council for the final decision is required.

Lead officer contact

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Appendices

Appendix 1 - Consultation responses by theme

Appendices 2-5 - structure charts

Appendix 6 Diversity Impact Assessment

Background papers

None

Explanatory note: the comments from the 13 respondents, some of which covered a range of areas, are reflected below under a series of themed headings. Each numbered section essentially represents a separate response under the theme. The proposals have been cut and pasted from the originals received however in some cases these have been preceded to ensure the anonymity of the respondent.

Consultation responses

1.0 - Why is the Transformation area being placed under the Director for RCC and not the Chief Executive?

1.1 - The position of transformation

Having worked in a number of councils where transformation has been taken forward, I feel by placing transformation into a service directorate is the wrong position. The transformation division needs to be cross cutting across the entire council and in my mind for this to be effective it should be part of Business Support. I feel otherwise it will get lost as an RCC addition. If anything transformation needs to work closely with finance colleagues as well as HR so why move just some services to transformation – why not keep all in Business Support?

By being part of Business Support it shows transformation is being led by the Chief Executive and it is very important the leadership is correctly positioned. Strong leadership is the only way transformation will be successful.

It also seems to jar that we have two directorates based on people and place. Placing transformation in place doesn't fit.

1.2 - The location of the transformation division within RCT

I entirely support the principle of 'one council' but I disagree with the premise of the proposals that a lean centre consisting only of the statutory posts is the best way to achieve that. Medway has always benefited from a strong centre - it has been a model favoured by the leader of the council. The change and transformation function that the review proposes to create needs to act both as corporate glue to give coherence to our strategies and change programmes, but it also needs to be able to exercise a constructive challenge function. To do that effectively a degree of separation and independence is required. .

1.3 - *I appreciate the logic of combining the current posts of AD, Organisational Services and AD, Communications, Performance and Partnerships given the financial difficulties the Council finds itself. However I have a number of concerns relating to the structure of this post.*

Firstly I believe the post should remain as a corporate post if it is to work successfully across the whole Council. I understand the aim is to break down departmental silos; but to maintain influence and impartiality I think it would be better placed reporting directly to the Chief Executive.

2.0 - Should NORSE be considered as an alternative delivery model

for further Greenspaces services?

2.1 - Alternative Proposal for Consideration.

Rather than splitting Greenspace Services into various department consideration may be made to merge the service into the Medway Norse JV model. There are many operational benefits in keeping this service together which I would gladly supply.

There would of course be other savings which I would happily explain should these proposals be taken as a positive move.

2.2 - Grounds maintenance client arrangements and greenspaces.

The proposals transfer responsibility for the GM contract management to the current waste services manager retitling the post head of contracts management for waste and grounds maintenance. The residual part of greenspaces is proposed for transfer to the safer communities post.

It is a seemingly small but important point to remember that Medway Norse is not a contractor – they are our strategic partner operating under a memorandum of understanding. An adversarial model of ‘contract management’ is not the best way to maximise the partnership aspects of the joint venture.

There have been conversations (council greenspaces and Medway Norse) about how best to reconfigure the GM client side with Medway Norse taking on this aspect as well as their current responsibility to supply labour and equipment. There is an opportunity to further embed partnership working by bringing the expertise of the current GM client team to a combined team based with Medway Norse. This brings together a huge amount of expertise in grounds maintenance and the Medway area. We would not lose the focus on the performance of the service as current contract monitoring activity can be re provisioned as quality assurance within a robust performance framework to be agreed alongside a re negotiated specification (to respond to the need to absorb statutory wage increases within the current financial envelope). This will also give efficiencies as we would not need a contract manager within Medway Norse and a manager of the client side. It will enable there to be holistic management of both the core GM contract and the GM for bereavement services, and the tree contract, with a further efficiency when the other tree contract work currently carried out by a third party moves into Medway Norse as agreed in 2016. This concept of a combined team was agreed in principle at the Grounds Strategic Meeting but for phased implementation within the next year. Given the financial pressures the council faces and the other benefits described above, I propose that this is implemented from April 2016 (subject to the necessary staff consultation).

The rationale I have been given during the consultation period was the desire to bring more closely together the operation of waste and GM contracts to respond to lack of synchrony across the two areas – eg litter picking on verges by Veolia in sequence with grass cutting. It should be possible to resolve these issues through collaboration that would not necessitate one manager taking responsibility.

I would also suggest that the council considers transferring the residual greenspaces activity and staff to Medway Norse. Whilst there is a link to safer communities, presumably through environmental crime and anti social behaviour in parks and open spaces, there is a better fit to the grounds maintenance activities carried out by Medway Norse..

3.0 - MACLS, Customer Contact libraries and community hubs do not naturally fit into the transformation area and should be in frontline services.

3.1 - The location of Libraries and Adult Community Learning respectively outside of the 'Place' and 'People' divisions and into the Transformation division can be made to work as there is the common ground of delivering those services from shared building locations. However this factor does not seem the strongest driver for service amalgamations.

3.2 - Some parts of the proposed division do not seem to fit – MACLS for example seems to jar as they have no transformation role.

3.3 - The positioning of MACLS seems odd. Although I understand there are synergies with customer contact, aren't there more synergies on the education side with the Children and Adults directorate

3.4 - There are proposed functions that I do not see as part of the portfolio in the medium term or, in two instances, at all. Customer contact and BASS will both be transformed themselves by the digital transformation programme. Both also have the potential to be engines and agents of change. I would see them as part of the portfolio in the short term but once they are starting to be delivered differently - an assisted digital model for customer contact and a digitally enabled support service for BASS - they should be transferred to either the chief finance officer or the AD for corporate services.

In relation to services that I do not believe that it is appropriate to include within the portfolio of the new AD post at all, the first is adult learning. Overall I do not consider that the restructure proposals sufficiently address the challenge of employment and skills. The new regeneration posts reference physical and cultural regeneration to a much greater degree than employment and skills, yet these areas are key challenges for the council and the area. I would propose that greater emphasis is given to employment and skills within the regeneration delivery team and that adult education also moves within that remit to ensure, whether the service remains with the council or is outsourced, that it is led or commissioned to support skills improvement in the context of our regeneration plans. The link from adult education to customer contact is tenuous and the fact that Macls and the Rochester community hub are delivered from the same site is insufficient reason to bring them under one manager. This is also emphasised by the recent in principle agreement to return Macls customer contact activity to the service.

I understand better the rationale for bringing libraries in with customer contact - that is a model that we had previously and there is overlap with community hubs because of close physical co location. However I don't think the rationale is strong enough to warrant including such an important frontline service as libraries within the transformation division. The council needs to decide what the strategic purpose is for libraries. Will libraries develop as assisted digital outlets? (although care needs to be taken that we do not have a programme that creates more face to face outlets for all council services that is at odds with a digital council;) are they community assets to

support social regeneration? Are they sites to support learning? The purpose should dictate the development of the service, the delivery model and its management. Libraries may be a candidate for transformation but of course not all services requiring transformation need to sit within the transformation division. I believe there are various potential alternative homes for libraries including with leisure, with school improvement or social regeneration, all of which would be a better fit than adding the service to a change function.

3.5 - *find the combination of cross organisation functions and the front line services of particularly libraries and customer contact somewhat odd. I have been given to understand that this is because there is a belief that the transformation required will be delivered through customer contact in particular. I think this missing the point of transformation, especially digitalisation. Whilst the front facing services and first point of contact clearly have a role to play the bigger prize is in the ability to integrate with back office functions and to streamline processes wherever possible. The key players in this will be ICT and HR.*

4.0 - The RCC performance hub should not be in the transformation area but should remain within front line services.

4.1 - Incorporation of the RCC Performance Hub into the Transformation division.

The current consultation document doesn't provide any detail on the rationale for including the RCC performance hub as part of the transformation division. Given the suggestion in section 7.4 of the consultation paper that a further review of the structure is likely once an assistant director is appointed, this would suggest a future discussion over the possible merging of the two hubs?

This would however raise a number of issues that may need to be considered. Any merging of the hubs would potentially undermine the hubs ability to objectively manage both the Directorate and Council performance monitoring as it will be responsible for both functions, and would therefore in effect have to hold itself to account.

Given the small size of both teams there is very little additional scope for any savings to be made by merging the hubs unless the scope and workload of the teams was also cut, which currently exceed beyond the capacity of both teams were designed to deliver. For example the RCC hub manager currently fulfils the role of Business continuity and risk managements lead within the council, which is outside of the hubs remit defined by the Target Operating Model. Similarly the Corporate hub currently provides support to BSD services in completing and uploading service plans, diversity impact assessments and analysis even though this is outside of the unit's remit. The Corporate hub also has number of corporate responsibilities including the maintenance of the corporate GIS system and the Local Land Property Gazetteer.

Most importantly however any proposed merger with a view to reducing the number of posts would significantly erode the capacity of the Corporate hub to support the Transformation programme, which is currently the primary rationale for including the Corporate performance hub within the Transformation division. This would include the ability to lead on monitoring and briefing on national policies such as the Devolution agenda.

It is therefore suggested that the RCC performance hub remain in the Frontline services division which would ensure that there was a distinction between Directorate and Corporate performance monitoring. The remaining capacity of the Corporate hub could then remain fully focused on supporting the Transformation programme.

5.0 - Responsibility for delivery of the digital programme should remain within Communications.

5.1 - Digital transformation should be led by communications –digital transformation is about service redesign and customer experience. Communicators know how to do this. The LGA suggest this is what should happen for these very reasons.

5.2 - My perspective is that our whole transformation agenda is about taking the council on the journey to be a digital council – an organisation fit for the future in the digital age. This would encompass anything from putting an individual transaction on line to rethinking our LAC service, or entering into a shared service– but always asking how can we better deliver the outcomes our communities need through exploiting the power of digital. Digital is an enabler, not an end in itself. This requires collaboration not only across the transformation division but also every service in the council. In this context it is important that digital transformation is not seen as a separate programme assigned only to one individual.

I have an alternative proposal which positions digital as a core part of all transformation. My proposal is that we think about digital service redesign as one element of overall transformation, and in the same way as the transformation manager ensures appropriate input from organisational change on skills issues, IT on technology, communications on messaging, performance on data analytics, then s/he would call upon digital services to deliver service redesign. Digital services would remain part of the communications and marketing team which would be retitled to communications, marketing and digital services.

This means the transformation manager is not responsible directly for a delivery team but is the glue between all of the components. The job description would need to be updated to reflect the focus on transformation overall, rather than digital transformation specifically.

6.0 – Miscellaneous.

6.1 - The re-organisation has my support. I believe the bringing together of a number of key support functions into the new Transformation Division will assist the pace and ambition of change across the council. Having all of these functions around one senior management team will be advantageous, give a higher profile to change programmes and allow greater synergy for improvement.

The statement at paragraph 3.4 recognising that the new Transformation Division will support reform across the council is important. In common with other support services, Business Administration also supports the Children and Adults Directorate with both business support, and complaint investigation and management. The future management of change and resources needs this council wide perspective,

and this recognition is welcomed.

All of the proposed Transformation Division's support functions have considerable operational responsibilities as well as being key advisors on their professional areas. The creation of a Transformation Service Manager position recognises that dedicated capacity is needed to support the Assistant Director and the Director, and will be a real asset to driving change forwards.

Clarification of the wider digital agenda and the respective work areas of Communications and Transformation would amplify lead responsibilities and increase opportunities for collaboration and partnership working.

It is clear that the digital transformation programme offers the opportunity to continue to modernise business support functions; in BASS we have been a part of this agenda for some time and are keen to contribute further; we see much scope to do so.

In all re-structures, there is no single blue print for organisation design. As well as re-examining logical and customer focussed service groupings, it is reasonable to play to the experience, strengths and passions of existing managers.

6.2 -

We should be taking this opportunity to address this with a fuller and wider consultation. With the impact the council needs to make I feel the consultation should have had a wider reach – was this not the time to look much deeper into head of service roles and reconfigure teams? While it is a fantastic attitude to want to protect staff this is no longer an option – the organisation needs to be realistic that jobs cuts will be needed and should be made to remove staff who do not have the right skills, bringing in some who do but ultimately becoming a leaner organisation. Culturally we risk doing little bits of change constantly which unsettles and the organisation loses its talent. What we should be doing is keeping the talent that does undoubtedly exist across the organisation but removing those who are content doing half a job as that is not helping transformation and is not value to the tax payer.

6.3 - *The present restructuring of RCC has presented a scenario in which the Greenspace Development Team (GDT) would move to Safer Communities.*

The GDT is surprised at the suggested location as the team's current and future work priorities do not seem to be closely aligned to those of Safer Communities. The GDT acknowledge the important work of Safer Communities and do understand that one aspect of GDT's work does contribute towards building community safety, however this is just one element alongside other broad goals such as healthier communities, regeneration and tourism. The GDT therefore believes that, unlike the greenspaces ranger, the GDT does not sit comfortably or logically with Safer Communities.

The GDT do believe that their priorities, skills and connections are best aligned and

embedded in the work of the regeneration and economic development team. We therefore request that consideration is given to the location of the GDT within Economic Development. Such a move could enable the provision of managerial and development support for the Great Lines Heritage Park officer.

Sections 7 through to 12 are individual counter proposals which do not fall into themes or miscellaneous:

7. Alternative Management Structure - Overview

7.1 *Fundamentally this Alternative Proposal for the Senior Management Review:*

- *Strengthens the senior management team (Assistant Directors) within the proposed Regeneration, Culture & Transformation Directorate through retention of the Deputy Director Role aligned to the Frontline Services remit.*
- *Reduces the number of Service Manager Posts to realise further savings.*
- *Creates additional capacity for delivery of the Regeneration Agenda.*
- *Incorporates Public Health into the Regeneration, Culture & Transformation Directorate to build synergies and reduce the overall management structure.*
- *Consolidates service functions to deliver a better Strategic Fit.*

7.2 Frontline Services

7.2.1 *The headline changes within this Alternative Proposal for the Senior Management Review are:*

- *Re-grading the Assistant Director Frontline Services Post to Deputy Director Frontline Services.*
- *Merging the Bereavement & Registration Service with Safer Communities to create a new service of Public Protection.*
- *Merging the Greenspaces Land Management Functions (Ranger Team) with Waste Services to create a new service of Street Scene & Greenspaces. As part of this proposal the in-house Pest Control & Sign Shop Service should transfer to Medway NORSE to ensure a service focus on strategic client management.*
- *Merging the Greenspaces Development Functions (Greenspaces Development) into the new service of Head of Regeneration Delivery (Physical & Cultural Regeneration Division).*
- *Transferring the South Thames Gateway Partnership from the proposed Physical & Cultural Regeneration Division to the Frontline Services Division.*
- *Merging the Highways and Integrated Transport to create a new service of Highways and Transportation.*

7.2.2 *The rationale for these changes are:*

- *Applying the Deputy Director grade to this Division reflects the strategic span of control for this Division, the political importance of ensuring delivery to standards framed within the affordability model and ensures a balanced senior management structure with that of the Children & Adults Directorate that retains a Deputy Director post.*
- *Merging of Bereavement & Registration with Safer Communities delivers better synergies than those proposed (Greenspaces & Safer Communities) and (if adopted) realising further savings. This combined service function has also been adopted by a number of other Local Authorities so can be seen as an accepted model for service delivery.*
- *Merging the Land management functions (Ranger Team) build better synergies than those proposed (Greenspaces & Safer Communities) also ensuring that there is a critical mass for Greenspaces Management through retention of the land management functions with contracted functions under one Head of Service.*
- *Merging the Greenspaces Development Functions into the new service of Regeneration Delivery ensures that the place making value of Greenspaces is captured and maximised within the Council's wider Regeneration Ambitions.*
- *Transferring the South Thames Gateway Partnership from the proposed Physical & Cultural Regeneration Division to Frontline Services ensures (except for Housing) that all frontline services are delivered within one division (spans of control efficiencies) and provides a quicker opportunity for externalisation of this service with CCTV via the LATC route that is due to be created by the 1st April 2016.*

7.3 **Physical & Cultural Regeneration**

7.3.1 *The headline changes with this alternative proposal for the Senior Management Review are;*

- *Amending the role profile title for the Assistant Director post from Assistant Director Physical & Cultural Regeneration to Assistant Director Regeneration.*
- *Transferring the South Thames Gateway Partnership from the Physical & Cultural Regeneration Division to the Frontline Services Division.*
- *Transferring the Head of Festivals, Arts, Theatres & Events and Head of Sports Leisure & Events to Public Health.*
- *Retaining Tourism and creating a new service of Economic Development & Tourism.*
- *Merging the Greenspaces Development Functions (Greenspaces Development) from the proposed new service of Safer Communities & Greenspaces (Frontline Division) into the new service of Head of*

Regeneration Delivery. This should also include the transferring of management responsibility for Great Lines Heritage Park and LGF Delivery functions for cycling to the substantive post of Greenspaces Development Manager that will result in a grade adjustment.

- *Transferring the service functions for Capital Projects & Property from the Chief Legal Officer (Corporate Services) to the proposed Physical & Cultural Regeneration Division.*

7.3.2 *The rationale for these changes are:*

- *Proposed alternative role profile title reflects the core division functions and the proposed transfer of Leisure & Culture service functions to Public Health.*
- *Transferring of Leisure & Culture service functions to Public Health builds better synergies around delivering “wellbeing” whilst ensuring a better strategic span of control around delivery of the Councils Regeneration Ambitions.*
- *Creating a new service function for Economic Development & Tourism builds capacity to deliver these service remits and ensures a more sustainable span of control for the proposed new service of Regeneration Delivery.*
- *Merging the Greenspaces Development Functions into the new service of Regeneration Delivery ensures that the place making value of Greenspaces is captured and maximised within the Council's Regeneration Ambitions.*
- *The service functions for Capital Projects & Property have better synergies within this Division around building lifecycle delivery teams for regeneration and alignment of property commercial development.*

7.4 *A further phase (2017-18) of restructuring of this Division should be considered to merge capital projects with regeneration delivery (thus removing the artificial internal market and gaining efficiency savings) and transferring the Corporate Client Functions for Medway NORSE to Frontline Services.*

7.5. Transformation

7.5.1 *The headline changes with this alternative proposal for the Senior Management Review are:*

- *Transferring the service functions for Administration to the Chief Legal Officer (Corporate Services).*
- *Merging the Head of Performance and Head of Performance RCC into one new Head of Performance Post, creating (if approved) additional savings through the deletion of one service manager post.*
- *Transferring Libraries & Adult Education to Public Health.*

7.5.2 *The rationale for these changes are:*

- *A better strategic fit with Administration being managed as a Corporate Service under the Chief Legal Officer specifically around Information Governance and Records Management.*
- *Efficiency savings through merging the 2 proposed Heads of Performance within the Transformation Division as there is no capacity value to maintain 2 posts especially in the context of the financial challenges that the Authority is facing.*
- *A better strategic fit for Libraries and Adult Education being managed within an enhanced management structure for Public Health than that proposed. The rationale for merging these with Customer Contact will have a negative impact on the wider wellbeing delivery agenda and also restricts the Council's outsourcing models for Customer Contact post digital transformation.*

7.5.3 *Consideration should also be given to interim management arrangements for IT to enable the option of a private partnership delivery model or shared services model to be tested especially in the context of the Digital by Default Programme that would require significant upfront skills and capacity investment into the IT Infrastructure to deliver.*

7.6 Public Health

7.6.1 *The headline changes with this alternative proposal for the Senior Management Review are:*

- *Director of Public Health transfers into the new Directorate of Regeneration, Culture & Transformation – direct line management report to the Director of Regeneration, Culture & Transformation.*
- *Public Health Directorate takes on management functions for Leisure & Culture (except Tourism) and Libraries and Adult Education.*
- *Two new Heads of Service are created (from those transferring so on a cost neutral basis) for the delivery of the Council's Leisure & Culture agenda.*

7.6.2 *The rationale for these changes are:*

- *Enabling a further flattening of the senior management structure (Direct Reports to the Head of Paid Service) through the transfer of Public Health into Regeneration, Culture & Transformation. Directors of Public Health do not need to be direct reports to the Head of Paid Service and a number of Local Authorities have placed Public Health within a non corporate management structure.*
- *Builds a strong integration of public health functions with service delivery of Leisure & Culture through a single management structure whilst still retaining the wider placemaking agenda in one directorate*
- *A better strategic fit of Leisure & Culture service functions in terms of (a) spans of control around traded services and (b) opportunities for outsourcing.*

7.7 Financial Implications

7.7.1 *The financial implications with this Alternative Proposal for a Senior Management Review if adopted would be an increased savings target being realised through:*

- *Reduction of an additional 4 Service Mangers Posts (Existing Structure)*
- *Creation of 1 New Service Manger Post*
- *Re-grading of the Assistant Director Post Frontline Services to Deputy Director Post Frontline Services.*

7.8. Summary

7.8.1 *This Alternative Proposal for a Senior Management Review if adopted provides an opportunity for further savings to be realised, strengthens functional delivery and It is line within the design principles set out within the Cabinet Report 27th October 2015 Decision Number 132/2015.*

8.

I would like to make a few observations, but overall the alignment of services is indeed heading in the appropriate direction.

On issues of details:

- *I question whether enough thought has been given to the grouping of particular functions across all the services.*
- *I question, without detailed knowledge of discipline, why we have two (2) proposed Heads of performance (albeit one has "Intelligence attached to it) and whether the scope of their responsibilities justify both posts?*
- *I question why some contracted services have been omitted from being included in the head of contracted services post?*
- *I question why elements of capital projects have been omitted from the regeneration delivery team or indeed the corporate capital projects team?*
- *Equally I wonder if thought had been given to combine the highway adoption function into the regeneration delivery service area, linking the planning, delivery and adoption element together?*
- *I wonder whether there would have been opportunities to consider an enforcement service area given the remit of "Community safety" being EHO, Trading standards and wardens, who all have an enforcement role*

9.

In the structure there appears to be a “Head of Performance” and a “Head of Performance Intelligence RCC”. As the basis of the proposal is about cost-saving, wouldn't it make sense to merge these two posts and teams into one? The potential would be to save more.

Is it worth considering if we still need “head of category management (place)” and “head of category management (people)” roles who both report to the Chief Legal Officer ?

Although the transformation change is viewed as generally positive and a good foundation for going forwards, it could be argued that the strategic vision for the transformation is still not really fleshed out yet for Medway (or perhaps has not been communicated very well into the lower areas of the organisation).

10 The scope and focus of the AD transformation post.

I welcome the creation of the post of assistant director for transformation. Bringing together all the key corporate functions that support, enable and drive change under unified management is a positive development. The functions I include in this context are communications, marketing, digital services, performance, research, business planning, analytics, ICT, HR and organisational change.

However, the scope of the new AD post is very broad - too broad in my view given the ambitious change programme it will be required to lead. In effect the post will take on the work currently overseen by at least two assistant directors. The span of control proposed - 8 direct reports - contravenes the council's own recognised good practice. Whilst the point is made within the consultation document that extra capacity is provided with the new transformation service manager post (the cabinet report went so far as to say 'valuable spare capacity') I remain of the view that the proposed mix of change services and frontline services proposed within the AD's remit is not workable. The post holder needs to have space for strategic thinking and stakeholder engagement.

11.

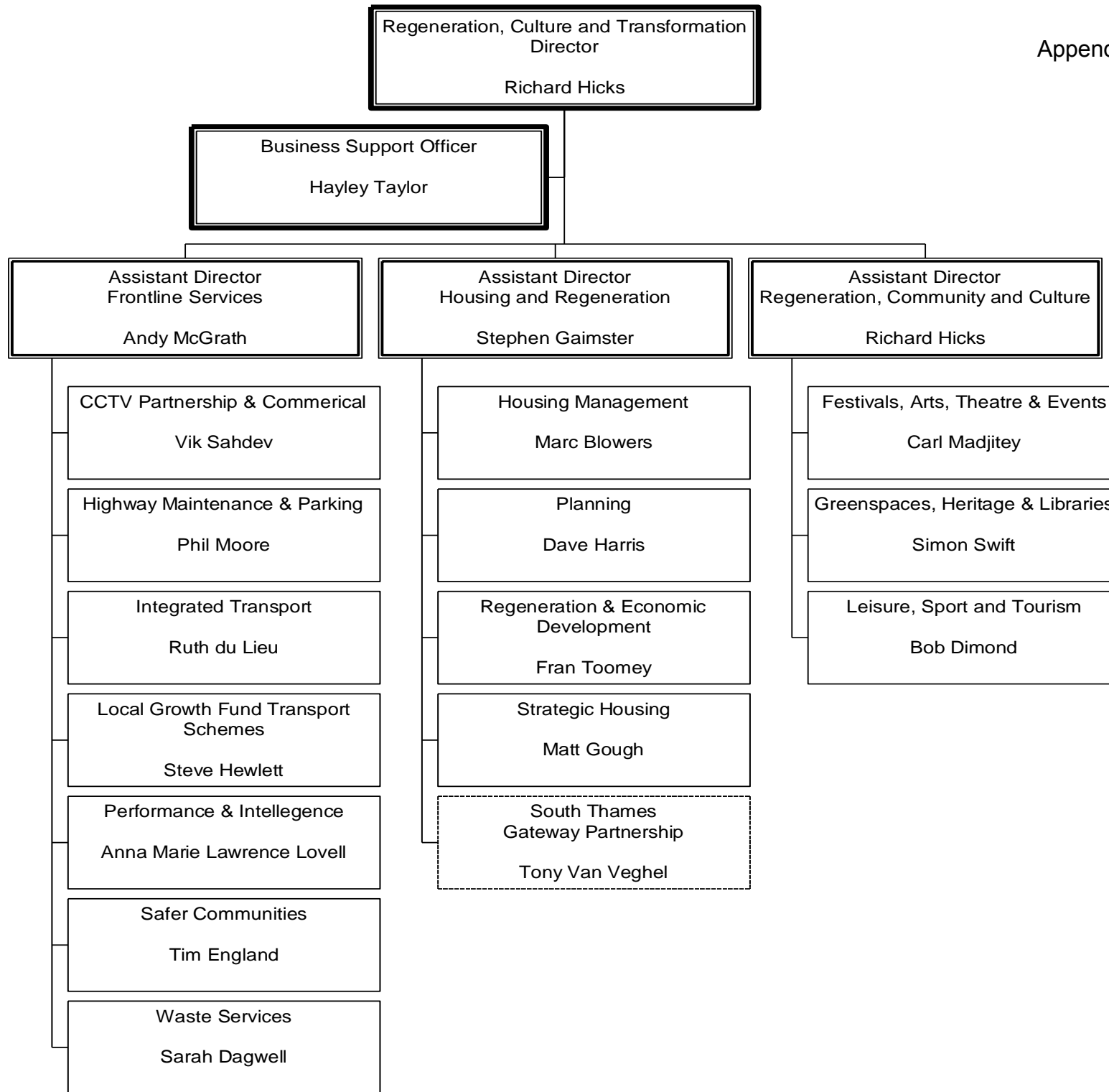
I have one other observation on the proposed name for the new directorate. Members give particular focus to frontline environmental services as do our residents in what is important to them. The Leader has been explicit about that with his set of priorities for the new council plan. In that context it appears slightly at odds to emphasise the cultural responsibilities of the directorate (which are rightly seen as a key part of regeneration) as opposed to the community aspects in the new name— both of course currently are reflected in the directorate title RCC. Naming a directorate by committee is not a good idea, but in terms of effectively communicating the council's core business through the way it structures itself, Members may want to consider either retaining a community reference or to be specific about the environmental responsibilities rather than, or in addition to the cultural ones.

12.

There are a number of Heads of Service roles in Medway Council that in other similarly sized authorities are combined. Examples of these include: the Highways, Parking and Transport functions; Performance and Intelligence functions; and brigaded regulatory services to include environmental health, trading standards, private sector housing and licensing enforcement. This latter would align to Better for Less principles, in that licensing processing could become a hub function, while the more complex issues of enforcement and advice could be provided by more specialist officers.

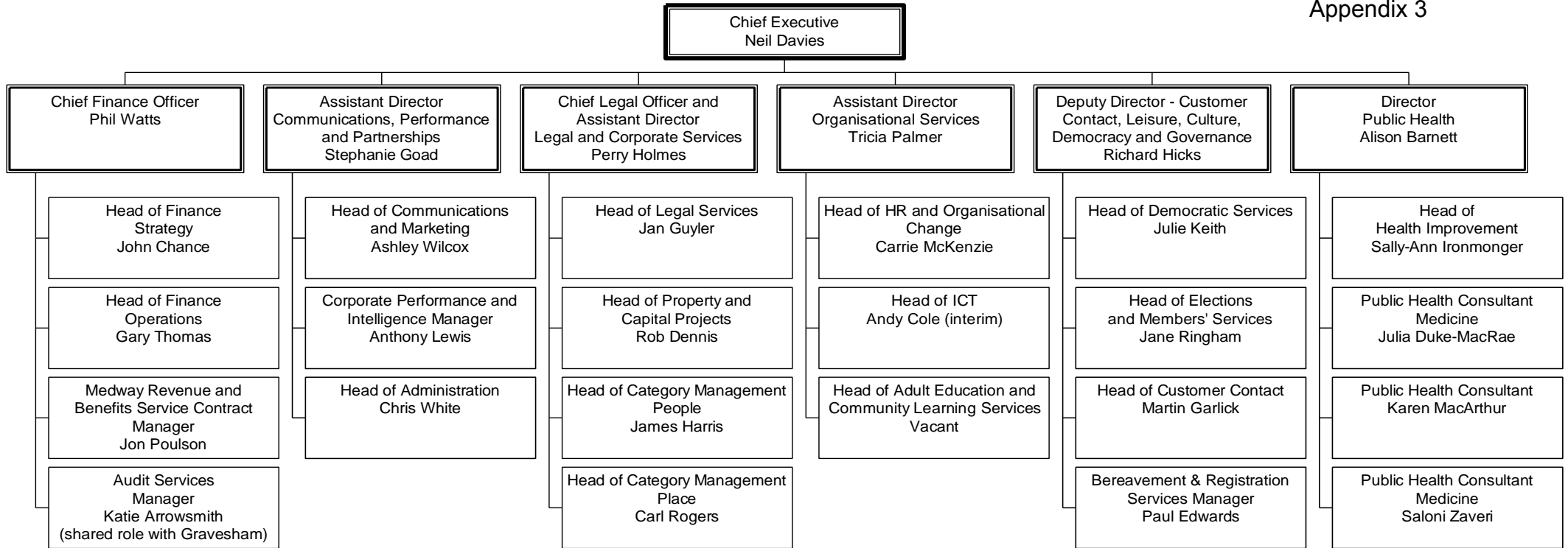
The consultation paper proposes combining the Safer Communities and Greenspace functions into a single role, with the grounds maintenance element being placed within Waste Services. This sounds to be an exciting opportunity. Having sought clarification, it appears that the two elements of Greenspaces to be combined, within the scope of the proposal, are the Rangers Team and Development Team. I believe that it makes sense to combine the Rangers team with the existing services providing a broadly similar role in other parts of the public realm within Safer Communities. I do not feel however that there is so cogent an argument for the development team. I do believe that the development role for Greenspaces needs to be very closely aligned to Medway's significant building regeneration programme over the next few decades, an issue highlighted ...at the recent Service Managers' event and that the Development Team has a more natural fit within regeneration than regulation.

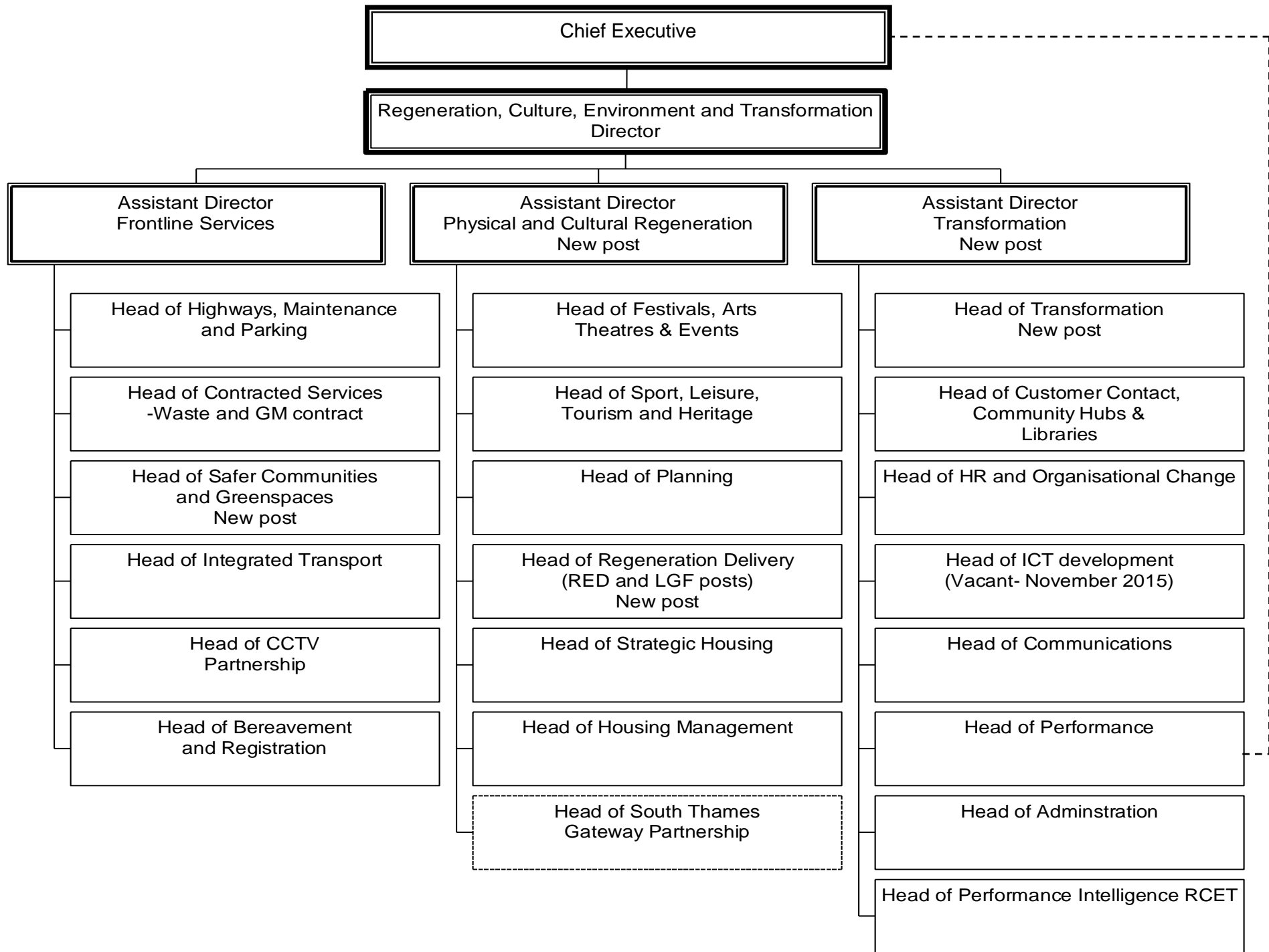
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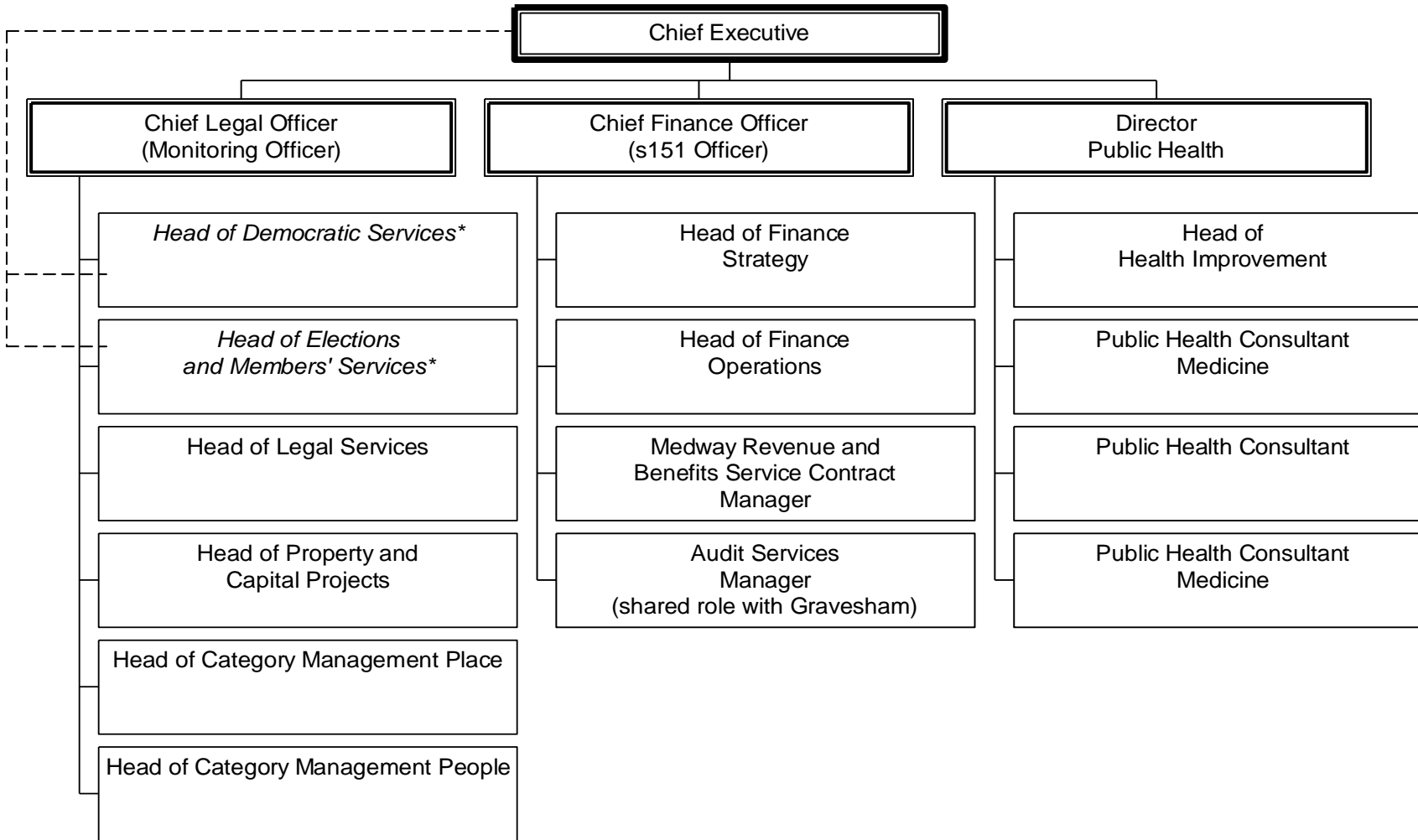
Chief Executive and Business Support Department

Appendix 3





Chief Executive and Business Support Department



*- new transferred services

Diversity impact assessment

| | |
|--|---|
| TITLE <i>Name/description of the issue being assessed</i> | Changes to Senior Management Structure |
| DATE <i>Date the DIA is completed</i> | Initially completed prior to start of formal consultation updated 4 January 2016 following end of consultation period |
| LEAD OFFICER <i>Name and title of person responsible for carrying out the DIA.</i> | Carrie McKenzie, Head of HR and Organisational Change |

1 Summary description of the proposed change

The Council is facing unprecedented financial challenges over the next few years. At the meeting in September 2015, Cabinet discussed the medium term financial plan that reported a funding gap for 2016/17 of some £13.85m. The appointment of a new Director of Regeneration, Community and Culture has given the Council the opportunity to review the senior management structure both within that directorate but also more broadly across the Council. The proposed new structure will result in the Regeneration Community and Culture Directorate being renamed to Regeneration Culture Environment and Transformation.

The revised structure will delete the following posts :-

- Deputy Director Regeneration Community and Culture
- Assistant Director Customer Contact, Democracy and Governance
- Assistant Director Communications, Performance and Partnerships
- Assistant Director Organisational Services
- Assistant Director Housing and Regeneration
- Head of Greenspaces, Heritage and Libraries
- Head of Regeneration and Economic Development
- Head of LGF Projects

The revised structure will create the following new posts:-

- Assistant Director Transformation
- Assistant Director Physical and Cultural Regeneration
- Head of Transformation
- Head of Regeneration Delivery

It also changes the job title of Assistant Director Legal and Corporate services to Chief Legal Officer and gives this post overall responsibility for Member and Democratic Services.

Diversity impact assessment

There is also a proposal to transfer grounds maintenance responsibility to Medway Norse under existing joint venture arrangements.

2 Summary of evidence used to support this assessment

Formal consultation over a 30 day period has been undertaken with both affected employees and relevant recognised Trade Unions and the 13 responses received have been used to shape the final proposals,

3 What is the likely impact of the proposed change?

(insert ✓ in one or more boxes)

| Protected characteristic groups | Adverse impact | Advance equality | Foster good relations |
|---------------------------------|----------------|------------------|-----------------------|
| Age | ✓ | | |
| Disability | | | |
| Gender reassignment | | | |
| Marriage/civil partnership | | | |
| Pregnancy/maternity | | | |
| Race | | | |
| Religion/belief | | | |
| Sex | ✓ | | |
| Sexual orientation | | | |
| Other (eg low income groups) | | | |

4 Summary of the likely impacts

The employees directly affected by these proposals are all Service Managers and above and therefore all comparisons in regards to impact have been limited to this part of the total employee population. The attached spreadsheet shows a breakdown of protected characteristics for this group.

Due to the small numbers in the sample group there is a particularly adverse impact on gender and age within the Assistant Director Group.

Diversity impact assessment

As there is an overall reduction in the number of posts available there may be an adverse impact in terms of continued employment. However it should be noted that until the selection process has been completed the final impact will not be known.

5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

Those individuals directly affected by the proposed changes will have the opportunity to apply for new roles within the revised structure, and if unsuccessful will have access to the Council's redeployment process.

Volunteers for redundancy have also been sought to try to mitigate the impact on affected staff.

6 Action plan

| Action | Lead | Deadline or review date |
|---|------|-------------------------|
| Reorganisation undertaken using Council's policy and procedures | CM | |
| Selection for posts undertaken using Reorganisation and Recruitment policies ensuring fair and consistent approach to any selection methods | CM | |
| Volunteers for redundancy sought to reduce impact on affected group | CM | |
| Affected employees given access to Council's redeployment process to reduce impact | CM | |

7 Recommendation

Based on the evidence available it is recommended to proceed with the proposed changes to the senior management structure.

8 Authorisation

The authorising officer is consenting that:

- *the recommendation can be implemented*
- *sufficient evidence has been obtained and appropriate mitigation is planned*
- *the Action Plan will be incorporated into service plan and monitored*

Assistant Director

Diversity impact assessment

| | |
|------|--|
| | |
| Date | |