

COUNCIL

12 OCTOBER 2017

ASSISTANT DIRECTOR OF TRANSFORMATION – CHANGE OF RESPONSIBILITIES

DESIGNATING DIRECTOR OF REGENERATION, CULTURE, ENVIRONMENT AND TRANSFORMATION AS DEPUTY CHIEF EXECUTIVE

Portfolio Holder: Councillor Alan Jarrett, Leader

Report from/Author: Neil Davies, Chief Executive

Summary

This report seeks approval to add additional responsibilities, principally human resources (HR) and organisational development, to the role and job description of the Assistant Director of Transformation (AD transformation). Changes of this kind require the approval of Council.

The report also seeks to designate the director of regeneration, culture, environment and transformation as deputy chief executive.

1. Budget and Policy Framework

- 1.1 Changes to the senior management structure are a matter for Council. Accordingly, Council is asked to consider and approve the proposed changes to the role of the AD transformation. Where functions and budgets are transferred between different directorates, Council approval is required.
- 1.2 Council is also asked to formally designate the director of regeneration, culture, environment and transformation as also deputy chief executive, a role which he has practised in an unofficial capacity for some time.

2. Background

- 2.1 After a recruitment process, Carrie Mckenzie was recently appointed to the post of AD transformation. This post sits in the Regeneration, Culture, Environment and Transformation (RCET) directorate and has responsibilities for: information and communications technology, communications and marketing, adult education, libraries, customer contact, business administration, performance monitoring and risk assessment, and transformation (including digital) across the Council. Needless to say, it is a broad and exciting role.
- 2.2 Prior to this appointment, Carrie Mckenzie was the Council's chief people officer, with responsibilities for all aspects of the HR function, as well as cultural change and organisational development, payroll, and health and safety. Rather than recruiting a new

chief people officer, it is proposed that the HR and organisational development aspects of the role are transferred and incorporated into the AD transformation role. This proposal has real merit since a key element of our transformation, certainly to make it more sustained and embedded, is cultural change that is naturally more people focussed. Attaching people and HR responsibilities to the AD transformation role, gives real impetus to our behavioural change programme. The AD transformation will retain her role and status as the chief people 'expert' for the Council.

- 2.3 Since it is proposed only to transfer the HR and organisational development elements of the role, the residual functions of the old chief people officer post (principally payroll) will be retained in the Business Support department under the direction of the chief finance officer. Also, to offer a greater balance in responsibilities, certain of the functions contained in the old AD transformation role, should be transferred to the chief finance officer, namely performance management and risk. Again, this is a logical re-allocation of services, offering a much better 'fit' by amalgamating the corporate management aspects of finance, performance and risk, areas which are inextricably linked.

3. Advice and Analysis.

- 3.1 By law the Council is not required to have an officer solely responsible for 'people' and HR services. However, given the size and complexity of Medway Council, it is sensible to preserve this role with a member of the corporate management team retaining this status and responsibility, supported by the relevant professional accreditation. Thus, as an organisation we have the scope to consider different operating arrangements, and we can implement an organisational structure that best fulfils our needs but sensibly retains the HR expertise with a designated role and point of reference.
- 3.2 Realistically there are only two options available for consideration. Firstly, to maintain the status quo by recruiting to the vacant chief people officer post, exactly on the existing arrangements and with the same role and responsibilities. The second option, involves deleting the old chief people officer role, currently a senior post in the Business Support department, and transferring the HR and organisational development aspects of the role to the AD transformation, based in RCET. Of these, the second option is the preferred one. If this option is approved it will require some strengthening of the HR senior management structure supporting the AD transformation but this can be implemented by acting up and reviewing senior management roles in the existing HR service.
- 3.3 Option two is attractive for a number of reasons, namely: it assembles and places under the management of one senior individual, the AD transformation, the range of responsibilities and services that will best enable transformational change to occur across the Council. This post would possess all of the key 'levers' – people, cultural and organisational change, training and development, communication (internal and external), web, ICT and systems development – to enable deep and sustained service reform to be more effectively embedded throughout the organisation under the council's transformation programme. It is therefore a very logical fit to amalgamate these disciplines. There are other important benefits: we will retain the HR expertise and the accumulated knowledge for all people issues across the Council, and obviously there will be financial savings. This latter point should not be understated given the financial challenges confronting the Council, such that it is incumbent on us to thoroughly review any efficiency opportunity should it arise, to identify and secure revenue savings.
- 3.4 The staff affected by these proposals have been fully consulted and support the preferred (second) option discussed above.
- 3.5 To offer clarity of decision making and to support senior management resilience in the organisation, it is also proposed that the director of regeneration, culture, environment

and transformation be designated deputy chief executive. This largely formalises an arrangement that has subsisted for some time, where in the absence of the chief executive, the director has acted as deputy being the first point of contact for Members, approving and signing off all of the more important officer decisions, chairing the corporate management team, and the lead officer in times of emergency. The director already represents the chief executive at various events including the Kent and Medway chief executives forum. With Council approval, it is suggested that this arrangement is more formally recognised and that the director is designated deputy chief executive, pertaining to the roles and responsibilities outlined above.

4. Risk Management

- 4.1 In reviewing these proposals, it is important to ensure that there is a fair and sensible distribution of responsibilities, otherwise there is a risk of aligning service areas that do not naturally fit as well as potentially overloading certain assistant director roles. The proposal, as recommended, seeks to overcome this risk by assigning responsibilities that offer the best fit for the organisation, and hence they are more likely to support our ambitious and exciting transformation programme. Similarly, transferring corporate performance and risk to the chief finance officer offers a better arrangement for the management of our resources, with best practice supporting a merger of these areas. Looking at the balance of responsibilities across the senior management structure, this distribution looks more appropriate and it is supported by the corporate management team.

5. Financial Implications and legal implications

- 5.1 As outlined earlier, if option 2 is approved it will result in the deletion of the old chief people officer post offering a revenue saving. Some costs will be incurred by strengthening the existing HR senior management reporting to the AD transformation but this will still yield a saving of approximately £70,000. This will accrue to the HR budget line that will be transferred to the RCET directorate. Therefore, other than this saving arising from the deletion of the old head of people post, the budget position for the other service 'movements' will remain unaltered. Service budgets will simply be transferred between Business Support and RCET at the levels previously approved by Council and therefore will have no impact on the General Fund budget position. Essentially the services will be lifted and shifted as they currently stand, with neutral budget impact. There are no other significant human resources implications associated with these proposed changes.
- 5.2 The director of regeneration, culture, environment and transformation is content to act as deputy chief executive, as outlined above, without additional recompense and therefore there will be no additional cost to the Council.
- 5.3 The Council is required to establish a senior management structure that enables it to fulfil its statutory responsibilities, as well as implement the key aims and priorities of elected Members. For the reasons specified in the report, the proposed changes should enable this to be achieved more effectively. Where appropriate the scheme of delegation will be reviewed and changed. However, since this is strictly within the realm of officer decision making and will entail changing one officer delegation to another, it is not considered problematic. If the proposal is approved, where appropriate, other associated and consequential constitutional changes will be implemented by the monitoring officer under delegated authority.

5.4 Reviewing the senior management structure to achieve reductions in costs as and when opportunities arise, is an important measure to respond to the significant financial challenges confronting the Council. It is one important proposal, albeit smaller in scale, to assist in addressing the sizable funding gap forecast in future years.

6. Recommendations

- 6.1 Council is asked to approve option 2 – transferring the HR and people responsibilities to the AD transformation, as explained in paragraph 3.2 earlier in the report. As such, this will also include a transfer of functions to the chief finance officer as explained at paragraph 2.3 in the report, specifically payroll, and corporate performance and risk management.
- 6.2 Council is also asked to agree the proposal explained in paragraph 3.5 in the report, that the director of regeneration, culture, environment and transformation, be also designated deputy chief executive.
- 6.3 Council is asked to agree the budget transfer between Business Support and RCET directorates to reflect the movement of HR, and corporate performance and risk management services.

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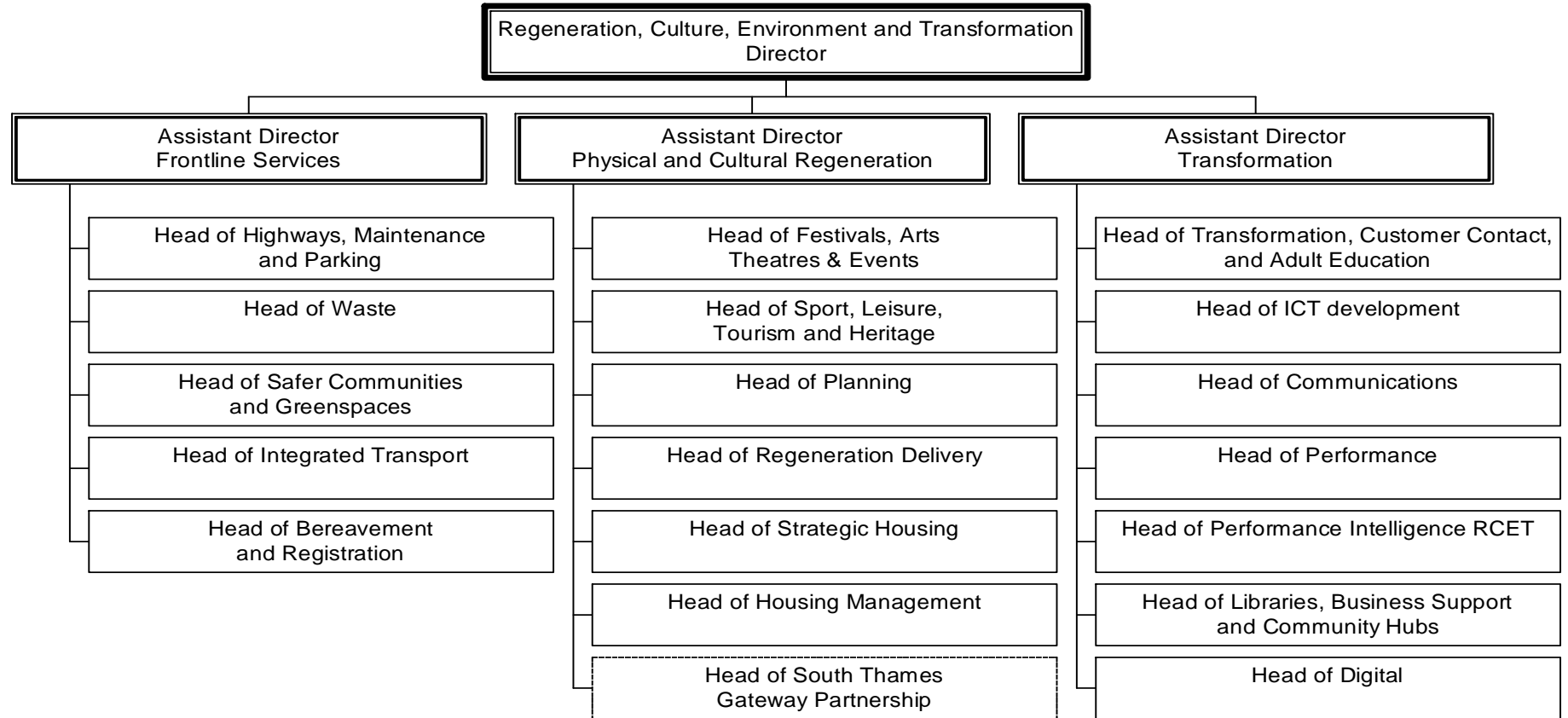
Appendices

Appendix 1 - Structure Chart

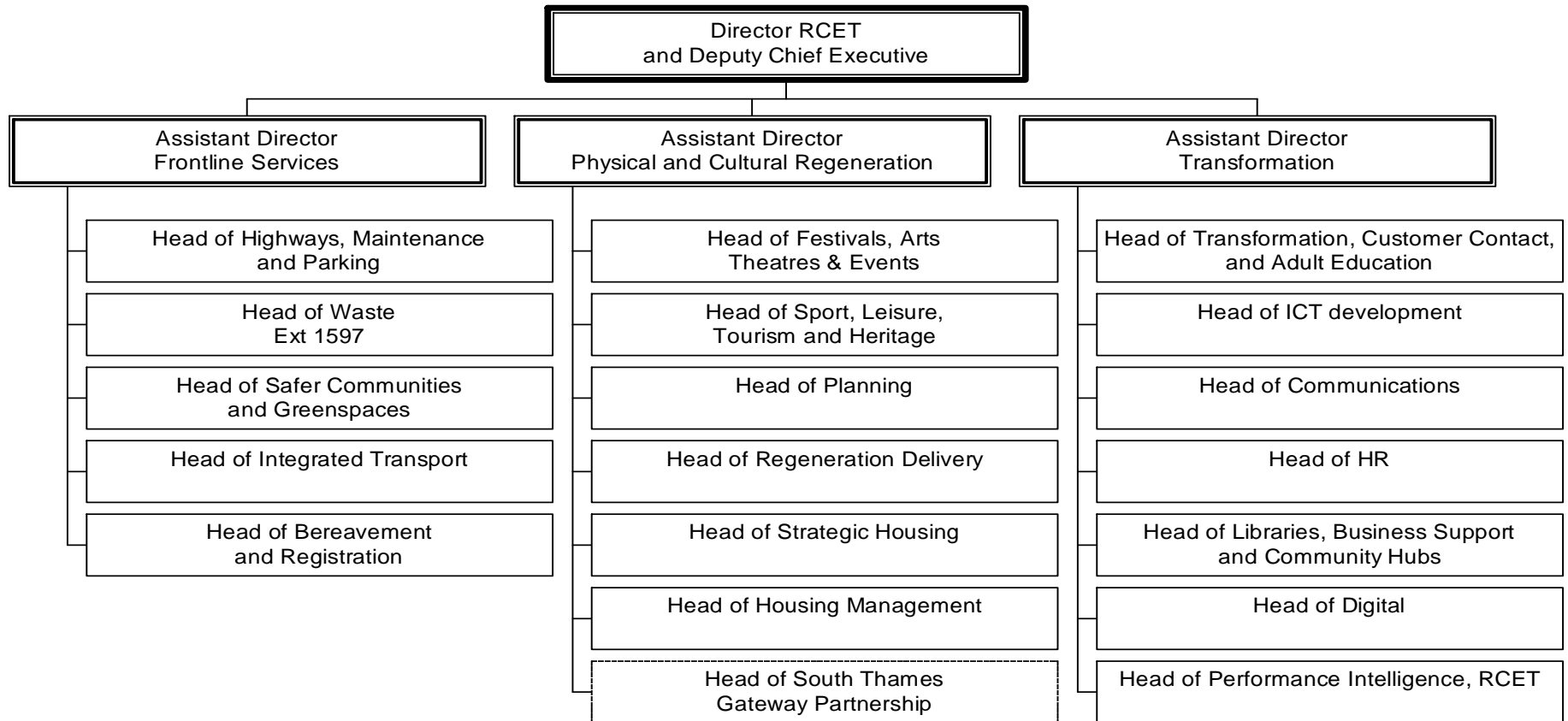
Background papers

None

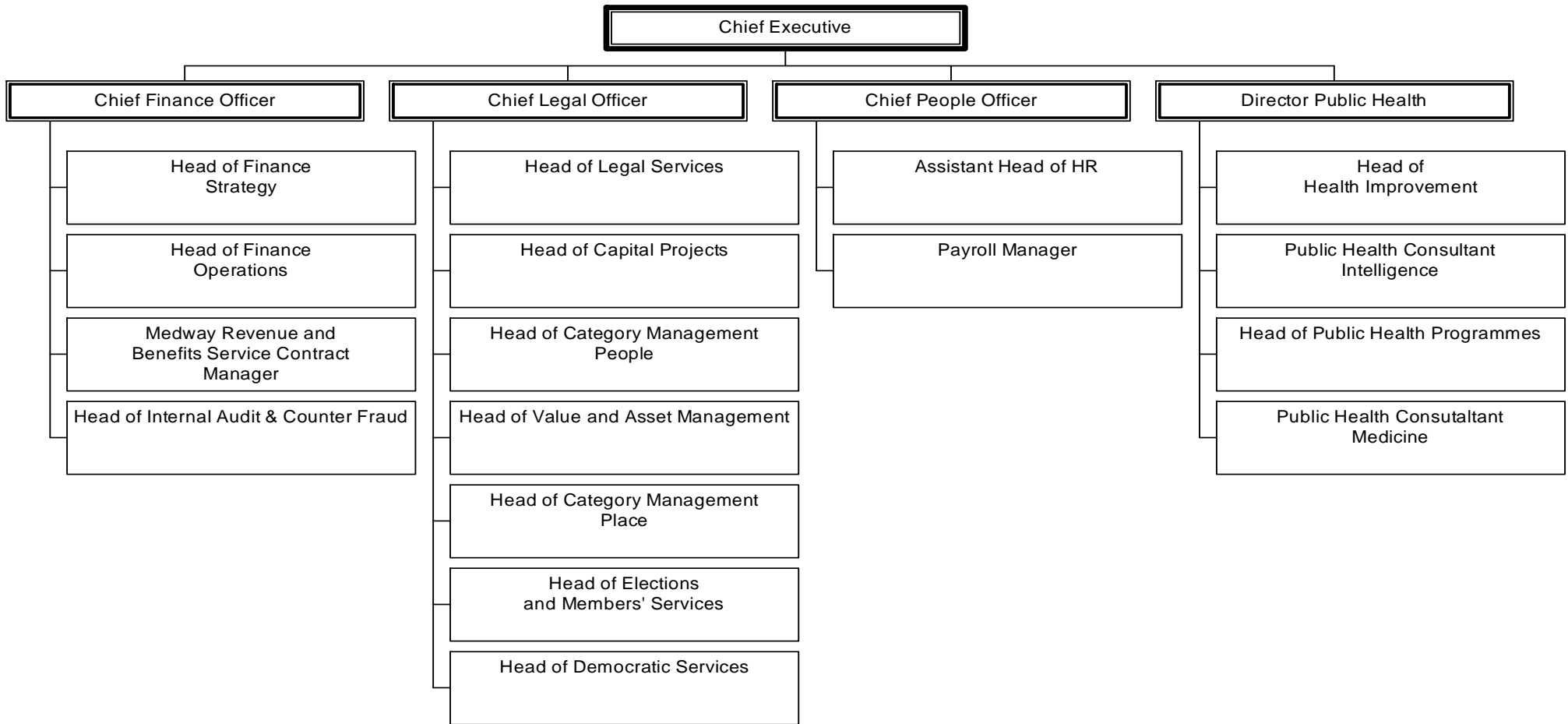
Regeneration, Culture, Environment and Transformation Directorate – current structure



Regeneration, Culture, Environment and Transformation Directorate – proposed structure



Chief Executive and Business Support Department - current structure



Chief Executive and Business Support Department - proposed structure

