

## **CABINET**

**14 JANUARY 2020**

### **CHANGES TO THE CORPORATE MANAGEMENT TEAM STRUCTURE**

Portfolio Holder: Councillor Alan Jarrett, Leader

Report from/Author: Neil Davies, Chief Executive

#### **Summary**

This report proposes changes to the corporate management team structure, seeking support from Cabinet and approval by Council.

Firstly, approval will be sought for changes proposed to the Children and Adults (C&A) Directorate: to delete the post of Deputy Director Children and Adult Services, and create two new Assistant Director roles, namely Assistant Director Children's Services and Assistant Director Education.

And secondly, the report seeks approval to make changes to senior management responsibilities in the Regeneration, Culture, Environment and Transformation (RCET) directorate, and the Business Support Department (BSD). These proposals arise from the recommendation to delete the post of Assistant Director Transformation, moving responsibilities currently undertaken by this role to other members of the corporate management team.

Changes of this kind require the approval of Council.

#### **1. Budget and Policy Framework**

- 1.1 Changes to the senior management structure are a matter for Council. Cabinet is asked to consider these proposals before making a recommendation to Council for consideration and agreement. Accordingly, Cabinet is asked to consider the proposed changes to the Corporate Management Team (CMT) structure.
- 1.2 Where functions and budgets are transferred between different directorates, Council approval is required.

#### **2. Background**

- 2.1 Following the Children's Social Care Ofsted judgement in August 2019 and the appointment of a Children's Commissioner in September 2019, it is necessary to review and strengthen the senior leadership within the Children and Adults directorate, but particularly the senior management support to the Children's Social Care (CSC) service. This entails creating a new assistant director post with sole responsibility for all aspects of children's social care, developing a new strategic direction and delivering service improvements at pace. It is crucially important that we improve the care and support

offered to some of our most vulnerable children and families in Medway, and this appointment is central to that outcome. This new position shall be augmented by the creation of a second assistant director post, with responsibilities (inter alia) for education, schools and SEND; duties that were formerly undertaken by the Deputy Director Children and Adults Services, a post which it is recommended should now be deleted.

- 2.2 In addition, with the recent resignation of the Assistant Director Transformation, a review of this role has similarly been undertaken. The post has responsibilities for HR, ICT, Business Change, Digital, Customer and Business Support, Communications and Marketing, Libraries and Community Hubs, Business Intelligence and Adult Education. It is proposed that this position is deleted, and the existing duties and responsibilities (as highlighted immediately above) are re-allocated to other members of the corporate management team. This will yield a sizable revenue saving, a timely proposal given the funding gap confronting the Council.

### **3. Children and Adults Directorate – New Assistant Director roles**

- 3.1 The Ofsted ILACS judgement deemed the Council's CSC services inadequate in a number of areas, including leadership and its impact on social work practice. Ten principal improvement areas were identified, many of which had a leadership emphasis as well as lack of management oversight, with one in particular specifically referring to leadership direction and assertive action to improve and develop aspects of the fostering and adoption services. Creating additional leadership capacity, at the appropriate level, is essential. Given Members' commitment and determination to improve this service, it is proposed that a dedicated post of Assistant Director Children's Services is created. This post will have direct responsibility for the day to day running of all aspects of children's social care, including early help, first response and assessment, child protection and safeguarding, looked after children, fostering and adoption, and care leavers. Reporting to the Lead Member and the Director of Children and Adults Services, it will be responsible for the strategic development of the service and improvement actions detailed in the Children's Services improvement plan submitted to Ofsted.
- 3.2 Therefore, to address the Ofsted improvement requirements and the findings of the Commissioner, creating additional capacity at a senior level, as well as a more dedicated children's social care leadership role, are considered pre-requisite to delivering service improvements in a speedy and sustainable way. Concentrating responsibilities for education, schools and SEND, etc, in the second assistant director role adds to this capacity, offering a new and strengthened senior management structure that is fit for purpose and able to respond more effectively to the care and support needs of our vulnerable children.
- 3.3 Additional revenue costs will not be incurred by establishing these new assistant director posts. The costs associated with both roles will be covered by the aggregation of the existing budget for the deleted deputy director post and the consultancy provision that has been used to fund the senior interim role equivalent to the Assistant Director Education post; an arrangement that has subsisted for approximately 18 months. As far as the revenue budget is concerned, a cost neutral position can therefore be assumed.

### **4. Assistant Director, Transformation – Deletion of Post**

- 4.1 The Council continues to be confronted by significant financial challenges for 2020/21 and beyond. The budget paper presented to Cabinet on 19 December 2019 reported a budget gap of approximately £4.8m which must be addressed by the beginning of March 2020 to accord with the statutory timetable for budget and council tax setting.

Furthermore, as budget sustainability remains a priority, on-going savings must be achieved with reductions in senior management costs being an important and realistic option. The resignation of the Assistant Director Transformation, with her departure scheduled for mid-February 2020, provides the opportunity to review the need for this post, with the scope to reallocate her service responsibilities to other corporate management team colleagues. Including the deletion of the existing executive assistant (EA) and personal assistant (PA) support to the Assistant Director Transformation role, these changes and the reallocation of duties can yield sizable revenue savings.

- 4.2 The structure chart attached at Appendix A shows the existing duties falling to the Assistant Director Transformation, which as highlighted earlier in the report broadly cover: business change, digital and IT; human resources (HR) professional advice, policy and procedures; communications and marketing; customer contact, business and administrative support services (BASS); Medway Adult Education (MAE) and libraries; and RCET performance and intelligence. These functions can neatly and logically be allocated to other members of the corporate management team. Specifically, the business change, digital and IT services, 'lifted and shifted' broadly as currently operated, can be added to the role of the Chief Finance Officer (CFO). Customer Contact and BASS, whilst shown as a combined team on the structure chart are discrete services, and are distinct and different from MAE and Libraries – hence they can easily be separated to report to the CFO. Performance and intelligence, principally as a support function, can also be absorbed in the broader Business Support council plan performance team, again under the purview of the CFO. As head of paid service, it is proposed that the HR function reports directly to the Chief Executive. A similar direct reporting arrangement is proposed for Communications and Marketing, with this team reporting directly to the Deputy Chief Executive and Director of RCET. MAE and Libraries (including Community Hubs) remain, and it is suggested that these services stay within RCET, reporting to the Assistant Director Physical and Cultural Regeneration.
- 4.3 These changes can be implemented speedily offering important synergies, and without seriously overburdening other existing corporate management team (CMT) roles. Ensuring there is a fair and even distribution of functions across CMT is essential and these changes will serve to offer a more equitable balance. By way of example, relatively speaking, the CFO currently has a smaller number of direct reports, operates shared services functions with Gravesham BC, and in the not too distant future is likely to experience further staff reductions as a small cohort of the benefits team will move to the Department for Works and Pensions (DWP), as part of the universal credit changes.

## **5. Rationale for Approach**

- 5.1 The last review of the Council's senior management structure was approximately four years ago when the Council combined the roles of some assistant directors. Given the rapid changes that have occurred in the sector in recent years, the need to support service improvements areas such as Children's Social Care and SEND, and to address the existing and future financial challenges, it imperative that we continue to review the Council's operations, structure and activities to strive for increased efficiencies and revenue savings. This extends to reviewing the senior management structure when the opportunity arises.
- 5.2 These 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:
- explicitly underlines our commitment and investment in Children's Services, particularly Children's Social Care, ensuring our services satisfy the needs of our children and families;

- is fit for purpose, reflecting the priorities and shape of the organisation today but, more importantly, that required for the future;
- offers a fair balance of service responsibilities across the corporate management team, aggregating and amalgamating services which it is logical to do so, providing synergies, service improvements and increased efficiencies;
- supports a culture that is agile, and enables pace and flexible working;
- is innovative in its thinking, offering a platform for further change and development, including shared services and greater local authority partnership working, increasing the scope for trading, as well as devolution opportunities should they arise; and
- reiterating the principles above, it must support the Council's priorities.

5.3 It is incumbent on us always to identify savings as and when such opportunities arise. Hence, responding to the financial challenges confronting the Council is a key driver in proposing these changes to the senior management structure. At the last senior management reorganisation, services traditionally perceived as central support functions were transferred to the Deputy Chief Executive and Director of RCET. At that time, these changes included establishing the Assistant Director Transformation role, largely to assist in promoting Medway the place and delivering some of the digital and transformation improvements relevant to our front line, public facing services, based in RCET. Considerable progress has been made in these areas and hence it is now appropriate to reconfigure the support elements of these services, as a central grouping, under the leadership of the CFO. This will add further impetus and support for the next phase of transformation and organisational change, similarly supporting key improvements (inter alia) in Children and Adults services.

## **6. Advice and Analysis**

6.1 The Council is not required to formally consult with staff on any of the proposals outlined within this paper. 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 builds expertise with designated Assistant Director roles for Children's services and Education.

6.2 The senior staff affected by these proposals however, in line with the Council's organisational change policy, have been informally consulted and support the options discussed above. The charts in the Appendices show the current and proposed structures.

## **7. Risk Management**

7.1 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 proposals, as recommended, seek 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. 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.

## **8. Financial Implications and Legal Implications**

8.1 If these options are approved it will result in the deletion of the Deputy Director Children and Adult Services and the Assistant Director Transformation roles, with the latter involving sizable revenue savings. As outlined earlier in the report, additional revenue costs will not be incurred in strengthening the Children and Adults management team structure, with the creation of the two new assistant director posts - i.e. Assistant Director

Children Services and Assistant Director Education. For the 2020/21 revenue budget, the position will be budget neutral, as the costs of these two new assistant director roles will be set against the existing budgets relating to the Deputy Director C & A, the role that is to be deleted, and the consultancy provision that funds the current AD Education interim role.

- 8.2 In deleting the Assistant Director Transformation Post, as well as the associated EA and PA support, the following revenue savings will arise:

Revenue savings, including on-costs, as illustrated below.

	<i>£000s (inc on-costs)</i>
AD Transformation – delete post	115
EA/PA – delete posts	<u>75</u>
<i>Total</i>	<u>190</u>

- 8.3 As far as the reallocated services are concerned, the relevant service budgets will simply be transferred between RCET and Business Support 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.
- 8.4 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.
- 8.5 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.
- 8.6 If the Council agrees the recommended changes outlined in this report, some constitutional changes will be required to align the employee scheme of delegation with the new organisational structure and these will be reported to Full Council on 23 January 2020. It is proposed that the functions referred to in paragraph 4 of the report will continue to report to the Business Support Overview and Scrutiny Committee.

## **9. Recommendations**

- 9.1 Cabinet is asked to recommend to Council that the proposed changes to the Council’s Corporate Management team structure as outlined within this paper are agreed.
- 9.2 Cabinet is asked to recommend to Council to agree the budget transfer between RCET and the Business Support department, to reflect the movement and reallocation of functions as explained in the report.

## **10. Suggested Reasons for Decision**

- 10.1 It is necessary to strengthen the senior leadership and management within the Children and Adults Directorate to improve services to Medway's vulnerable children and families, and to do this with urgency and at pace. It is also important to review and change the organisation's senior management structure, as and when opportunities for service improvement and revenue savings occur.

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### **Appendices**

Appendix A - Structure Chart, RCET – Current Structure and Proposed

Appendix B – Structure Chart, Business Support – Current Structure and Proposed

### **Background papers**

None