

REPORT TO COUNCIL

Date of Meeting: 20 February 2024

Report of: Leader of the Council and Chief Executive

Title: Senior Leadership Review

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 As part of the One Exeter programme designed to deliver on the corporate priority of leading a well-run council, a review and restructure of the senior management of the council is being proposed. The restructure relates initially to second and third tier posts, that is, Directors and Service Leads/Corporate Managers. The Council has commissioned the Local Government Association (LGA) to support the review and the development of the proposals contained within the report.

1.2 In order to aid transparency, two reports have been prepared in relation to the restructure. This report has been prepared as a Part One report and a more detailed report has been prepared under Part Two.

1.3 The purpose of this report is to provide an overview of the rationale for the restructure, the process that was followed and an indicative timescale for implementation should Members be minded to support the proposal.

1.4 This report also explains what information has been included in the Part Two report and why it cannot be placed in the public domain (see paragraph 4.3)

2. Recommendations:

That Council agrees:

2.1 To note the content of this report, the rationale for the restructure, the process to be followed and an indicative timescale for implementation.

2.2 To note that a detailed report containing details of the existing and proposed structure and the indicative costs will be shared as a Part 2 item. This will include a number of detailed recommendations.

3. Reasons for the recommendation:

3.1 The reason for these recommendations is to aid openness and transparency.

4. What are the resource implications including non financial resources

4.1 Members are asked to note that the revised Leadership structure will cost less than the current structure. The intention is to retain any saving for use in funding the planned management development and other organisational change work. Any available funds may also be used to fund additional posts identified as necessary at below-OMB level.

4.2 Information relating to the current and proposed new structure and related costs has been excluded from this report. This information is exempt from disclosure because it relates to the financial or business affairs of the council and could also be linked to individuals.

5. Section 151 Officer comments:

5.1 As the section 151 Officer is affected by the proposals, these comments reflect issues that need to be considered by Members in respect of the financial aspects of the proposal. Whilst the Council has an obvious need to reduce its costs, it is being proposed that the cost reductions identified through the restructure are used to strengthen some critical core functions and to better support the new management team through a management development programme.

5.2 There are a number of areas, which ensure the Council meets its legal obligations (such as Health & Safety) and require strengthening. In order to deliver the Council's priorities, further improve service provision and deliver the transformation programme, which is critical to our future success, it is vital that investment is made in creating a robust structure that is supported by Managers that are properly equipped to lead the future organisation.

6. What are the legal aspects?

6.1 The process and timeline proposed at section 8.18 complies with the council's Organisational Change Policy and all relevant employment legislation.

7. Monitoring Officer's comments:

7.1 The Monitoring Officer is aware that these restructure proposals impact on her and therefore has been careful to limit her comments to the legal implications.

7.2 Section 4(1)(b) of the Local Government and Housing Act 1989 provides that it is the Council's duty to provide the Head of Paid Service ("HoPS") with such staff, accommodation and other resources as the HoPS considers sufficient to allow them to discharge their duties.

7.3 In accordance with section 4(2) of the Act, it is the duty of the HoPS to prepare a report for members' attention in relation to:

- a) the manner in which the discharge by the authority of their different functions is co-ordinated;
- b) the number and grades of staff required by the authority for the discharge of their functions;
- c) the organisation of the authority's staff; and
- d) the appointment and proper management of the authority's staff.

7.4 Section 4(5) states that where any such report is presented, Council must consider the report. In deciding whether or not to approve the recommendations of the HoPS, members will have regard to the duties imposed on them as set out in section 4(1)(b) referred to above to provide the HoPS with such staff as the HoPS considers necessary to allow them to perform their duties.

8. Report details:

Background details

8.1 The former Chief Executive & Growth Director, in his development of a number of work streams to address the challenges of the council's need to reduce our operating costs as identified in our Medium Term Financial Plan (MTFP), identified the intention to bring forward a proposal to Members for the restructure of senior management.

8.2 Subsequent reports to Council in December 2022 and February and March of 2023 reiterated the council's intent to review its senior management structure at Strategic Management Board (SMB) and Operational Management Board (OMB) level. This commenced with the deletion of one Director post in 2023.

The Context of the Proposed Restructure

8.3 The instigation of the One Exeter Programme 2021 signalled the start of the Council's journey to modernise its internal operations and service delivery. This included:

- a review of the council's culture and values;
- a revised performance and development framework for staff;
- a review of cross-cutting services across the council to identify opportunities for these to be delivered in a more cohesive and cost-efficient way, for example, health and safety, enforcement and debt recovery;
- review of the council's approach to risk management;
- the development of a customer strategy and a revised Public Consultation strategy; and
- the design and implementation of a digitised, single-front-door approach for those seeking information and support from the council.

8.4 Members may wish to note that the findings from the implementation of the One Exeter Programme as well as other organisational improvements to promote more informed and transparent decision-making and a corporate approach to leading the council has begun to address the silo-working reflected in the findings of the DMA work described below.

8.5 It is clear however, that if the Council is to deliver on its ambitions to modernise and improve the way we work by focussing on the needs of our customers in a digitised world, then organisational structure change is required.

The Development of the Proposed Restructure

8.6 To inform this review the Council invited the LGA to conduct a Decision Making and Accountability (DMA) exercise in February and March of 2023 so that the new Chief Executive, once appointed, would have a 'temperature check' on the organisation.

8.7 Decision Making Accountability (DMA) is a robust, proven methodology that has been used by the LGA across different types of Councils. The DMA exercise:

- identifies where decisions are best made in an organisation;
- decreases the amount of overlap in the decision-making process;
- ensures each level of management adds value to the front line;
- diagnoses and informs the development of healthy management hierarchies;
- design cost-effective and fit-for-future organisational structures.

8.8 The LGA's findings were reported to Executive Committee on 6th February as part of the One Exeter Annual Review.

8.9 In terms of organisational structure, the DMA recommends:

"ECC should consider reducing the number of SMB & OMB roles to create a more cohesive group of appropriately empowered roles that better balance portfolios, co-create strategy and drive transformation together"

Culture Change led by the New SMB and OMB

8.10 Members are asked to note that a change in the senior management structure will not in itself effect the change that the council needs. It is, however, a significant part of the process of resetting the organisation's culture and way of working. Those appointed to the revised structure will be supported to lead the change in culture, model the council's agreed values and behaviours and adopt a corporate approach to the leadership of the council.

8.11 Directors will be focused on the needs of the whole business alongside their individual service areas second. When making decisions or developing proposals for Member's decisions where appropriate, officers will use data and customer insight and have an understanding of the financial and other resource implications. They will also work collaboratively to understand cross-organisational impact.

8.12 There will necessarily be a renewed approach to how support services work to support the delivery of front-line services, but equally front-line services will ensure that support services are engaged at the earliest possible opportunity in plans that require their input.

8.13 Officers at SMB and OMB level will work as an Extended Leadership Team (ELT) so that cross service issues are identified and addressed, and best practice identified and shared. Work will also be done at ELT level to ensure clarity of decision-making and work with elected members to ensure that members are appropriately supported and have the ability to access relevant information about the council's services. Joint work will also be proposed between senior officers and Members to continue to ensure clarity in decision-making and accountability.

8.14 A management development programme will be developed and rolled out across SMB and OMB to support colleagues in the work needed to facilitate the cultural change.

8.15 The council has commissioned support from the outplacement team to support SMB and OMB in both the recruitment process but also to support those colleagues who do not secure a position in the revised structure.

The Proposed Structure

8.16 To implement a more effective and efficient organisation, the LGA has proposed a revised SMB and OMB structure that benchmarks against other councils of similar size and function as the Council.

8.17 Members are asked to note that the proposed structure will be amended after consultation and the titles of each directorate may change. This will be partly informed by the review of cross-cutting functions currently being undertaken across the council.

8.18 Members are also asked to note that the intention is to appoint the Strategic Management Board and those appointed Strategic Directors will recruit to OMB posts.

Indicative Timeline (for SMB restructure)

- February 2024 Council considers initial business case;
- March SMB Consultation;
- April Consideration of Consultation feedback;
- May Executive & Council consider final proposals;
- June Recruitment & Appointments; and
- July Any necessary interim appointments and external recruitment

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The LGA's advice is that the revised structure will take the Council forward in terms of the delivery of the Strategic Objective of delivering a "well run council" as follows:

- will compare more favourably against other Councils' structures;
- will deliver efficiency improvements via a reduction in silo working;
- will facilitate delivery of a "one front door" approach; and
- will bring to life a customer-centric, digitised and fit for the future organisation.

10. What risks are there and how can they be reduced?

10.1 The Council's Organisational Change Policy will be applied. This has been formally negotiated with the Union and complies with the relevant employment legislation and is in line with the Advisory Conciliation and Arbitration (ACAS) best practice. This will mitigate the risk of any future legal challenge and ensure that the process is conducted through a fair, transparent and consistent process.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;

- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 The Recommendations herein present no potential impact on people with protected characteristics as determined by the Act.

12. Carbon Footprint (Environmental) Implications:

12.1 There are no direct carbon / environmental impacts arising from the recommendations.

13. Are there any other options?

13.1 Retain the existing structure. The LGA's work identifies that we do not have as efficient a structure as we could have to deliver effective, value for money services to our residents.

Leader of the Council, Cllr Phil Bialyk

Bindu Arjoon, Chief Executive

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

- 1) The Director, Corporate Services' Report to Council in December of 2022 regarding the exit of the current Chief Executive & Growth Director / Head of Paid Service, the appointment of an interim Deputy Chief Executive and the subsequent appointment of a new Chief Executive / Head of Paid Service refers.
- 2) The Leader's Report to Council in February of 2023 regarding the process into the recruitment of the new, permanent, Chief Executive / Head of Paid Service also refers.
- 3) Our Organisational Change Policy.
- 4) The LGA's Decision Making and Accountability Report and Benchmarking Data.

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