

## **REPORT TO COUNCIL**

Date of Meeting: 23 April 2024

Report of: The Leader and the 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 In February 2024, Council agreed the business case for a revised senior leadership structure as a draft for consultation and authorised the Chief Executive to commence that consultation with affected officers, in line with the council's Organisational Change Policy. The Chief Executive has now consulted with affected officers and considered the feedback given and this has been used to inform the final business case for the proposed revised senior leadership structure.

1.2 This report sets out:

- the outcome of the consultation with affected officers;
- the proposed new senior leadership structure;
- the proposed job descriptions;
- the proposed salaries which have been brought forward following evaluation of the revised job descriptions by the Local Government Association (LGA) and benchmarking with comparable councils; and
- the cost of the new structure

## **2. Recommendations:**

That Council agrees to note:

2.1 the outcome of the consultation with affected officers;

2.2 the final proposed structure;

2.3 the job descriptions for the proposed new posts;

2.4 the timescale for implementation of the new structure;

2.5 that a detailed report containing the proposed salaries for the Strategic Management Board and Operational Management Board as well as an Equality Impact Assessment costs will be shared as a Part 2 item. This will include a number of detailed recommendations; and

2.6 that the cost of the proposed new structure is less than the cost of the existing structure.

### 3. Reasons for the recommendation:

3.1 To create a more cohesive group of senior leadership, acting as a joint team to enable the delivery of the council's priorities through better balanced portfolios, a co-ordinated and corporate approach, and an ability to drive transformation together.

### 4. What are the resource implications including non financial resources

4.1 Information relating to the costs of the proposed new structure, including the proposed salaries, 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.

#### 4.2 Determination of final salaries

4.2.1 The job evaluation process has been undertaken by the LGA for the Chief Executive post and the proposed Director posts and is currently being undertaken internally for the proposed Service Lead posts. The Director posts has been evaluated at a Grade CO1 and the Service Lead post is very likely to be evaluated at a Grade P. Salary information will be published at a later stage in accordance with the council's commitment to openness and transparency.

4.2.2 The salaries for Directors and Service Leads have been determined by the Leader and the Chief Executive, with support from the LGA, and based on the size of the role compared to the current structure and benchmarking information obtained from comparable councils- those being the comparable councils identified by CIPFA and local Devon District councils.

4.2.2 The benchmarking data that has been used to inform the salaries can be found in the table below. Please note that for the purposes of benchmarking purposes, although shown, Canterbury and South Hams & West Devon have been excluded from consideration. For the former, this is because these salaries are an outlier, possible because of the proximity to London and for the latter, this relates to two combined councils.

		Exeter	Ipswich	Lincoln	Worcester	Canterbury	East Devon (*)	South Hams & West Devon	Teignbridge
		2023/24	2023/24	2023/24	2023 / 2024	2023 / 2024	2023 /2024	2023/2024	2023 /2024
Chief Executive	Band	n/a	£136,344 - £143,393	£116,942 - £131,825	£120,496 - £123,881	n/a	£134,550 - £135,599	£139,725 - £150,075	£116,577 - £124,134
	Spot	£128,007	n/a	n/a	n/a	£164,498	n/a	n/a	n/a
Executive Directors / Strategic Directors / Directors	Band	n/a	£95,167 - £99,548	£92,878 - £108,090	£87,484 - £93,183	n/a	£87,975 - £102,602	£88,298 - £98,686	£86,571 - £93,060
	Spot	£91,835	n/a	n/a	n/a	£122,365	n/a	n/a	n/a
Assistant Directors	Band	n/a	£85,199 - £89,883	£76,717 - £82,439.82	£76,084 - £81,785	n/a	£72,450 - £79456	£70,762 - £63,808	n/a
	Spot	n/a	n/a	n/a	n/a	£102,624	n/a	n/a	n/a
Heads of Service / Service Leads	Band	£63,334 - £66,691	£61,783 - £66,467	£69,358 - £76,276	£64,686 - £70,386	£62,100 - £82,800	£56,925 - £77,624	£52,748 - £63,808	£79,519 - £85,487
	Spot	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

#### 4.3 Reinvestment of cost reduction

4.3.1 The cost reductions achieved through the restructure will be reinvested in supporting the new management team to facilitate the cultural change required to deliver the new way of working. This is likely to include the development and delivery of a Management Development programme and the potential creation of posts to fill knowledge/skills gaps within the organisation. A costed report will be brought back to Members for consideration and that will set out the proposals for how the cost reductions will be reinvested following discussions with the newly appointed Directors.

4.3.2 Without reinvestment, there is a risk that the council will be unable to effect the change required to deliver an effective and efficient council that can meet the future needs of its stakeholders.

## **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. The proposed salaries will provide a significant cost reduction to the Council of close to £400,000 that can be reinvested to strengthen those areas of weakness that have been identified in the Council's internal structure.

## **6. What are the legal aspects?**

6.1 The process which has been followed 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 coordinated;
- 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:**

In February 2024, Council agreed the business case for a revised senior management structure and authorised the Chief Executive to commence consultation with affected officers in line with the council's Organisational Change Policy subject to the submission of a final business case for implementation.

### **8.1 The Context of the Proposed Restructure**

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.
- the design and implementation of a digitised, single-front-door approach for those seeking information and support from the council.

It is clear however, that if the council is to deliver on its ambitions to modernise and improve the way it works by breaking down silo working, focussing on the needs of customers, and supporting our employees, then organisational structure change is required.

### **8.2 The Development of the Proposed Restructure**

To inform this review the council invited the LGA to conduct a Decision Making and Accountability (DMA) exercise in February and March of 2023.

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.

The LGA's summary findings have been shared on the Members Portal and a summary was presented in the One Exeter Annual Report to Members on 20 February. Members will note that the review identified a number of issues including staff feedback, organisation culture, infrastructure, value added, employee development and performance and leadership and communication. These areas are either being addressed or will be addressed through the council's One Exeter Programme or work being done by the Strategic Management Board.

The LGA's key finding on organisational structure is:

*“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.”*

### 8.3 Consultation and Feedback

The Chief Executive has now consulted with affected officers and considered the feedback given. Changes have been made to the proposed structure in response to the feedback received.

Members will recall that the proposed draft structure submitted to Council in February 2024 contained some service areas that could potentially sit within two Directorates. These were annotated with a red dotted outline. As a result of the feedback received, further discussion with the LGA and work to ensure balanced areas of responsibility across Service Leads, the following decisions have been made in relation to these areas:

Service	Feedback	Decision
CX Support	It was suggested that the Website is moved the 'Digital and Data'	Agreed
GDPR/FOI	Legal should be separate from DP/FOI to maintain impartiality in any appeals process	Agreed that GDPR/FOI sits with SL for Digital and Data
Land Charges	Land Charges should remain with Building Control	Agreed
HR, Workforce Planning and OD	This should sit under the People Directorate as the HR function supports people and has close links with Digital and Data	Agreed
ASB	There were various suggestions on where Community Safety and ASB and Control Centre could be located.	Agreed that these functions should be grouped together within the Place Directorate. This is in keeping with best practice.
Business Services	There were various suggestions for how this Service could be dispersed across the council.	Agreed for Commercialisation and Sales and Marketing to move to Leisure and Healthy Living and for remainder to sit within Business Support .

The location of the following services has also been changed in response to feedback received during the consultation process:

- Engineering has been moved from Operations to Corporate Services;
- Harbours and Waterways has been moved from Corporate Services to Operations;
- Culture has been moved from Operations to Place; and
- Car parking has been moved from Place to Corporate Services

A summary of the responses received in relation to the proposed structure and any resultant changes can be found in Appendix C. The proposed job descriptions have been updated to reflect these changes.

#### **8.4 The Proposed Structure and implications for affected positions and current post holders**

The existing and proposed structure charts are at Appendix A.

In total, there are 24 positions in the existing structure which will be affected by the proposal (6 x Directors and 18 x OMB) but because one of the positions is currently vacant, there is a total of 23 affected employees.

It is proposed that under the new structure there will be 4 Directors at grade CO1 and 14 Service Lead posts predicted at Grade P.

The council's Organisational Change Policy will be followed except for the requirement for the use of a selection pool and redundancy selection criteria. The reason for this is that the council will be selecting for retention around the requirements of the new roles, rather than selecting for redundancy. Retention can be achieved in 3 ways - firstly via the slotting-in process, secondly by recruitment into a vacant post in the new structure and thirdly by way of an offer of Suitable Alternative Employment into a another, unrelated post.

The slotting in opportunity will be discussed during the next stage of individual consultations. Once this avenue has been exhausted the council will look to recruit into any remaining vacant posts, with applicants drawn directly from the ring-fenced group of affected employees.

#### **8.5 Next Steps and Timescales**

Should the proposal be approved, this will lead to individual consultations with all affected employees. The discussion will focus on how the new structure affects each individual and to work through the retention process, commencing with the potential for slotting in and discussions about Voluntary Redundancy if appropriate.

It is expected that this consultation will begin at SMB level, with this stage being delivered by the Chief Executive who will be supported by the LGA. The anticipated timeline is that consultation will take place at the end of April with subsequent appointments to the new SMB to commence in June.

Once SMB have been appointed, the new Directors will follow a similar process to appoint their new Service Leads. The anticipated start dates for Services Leads will be August 2024.

It is not known at this stage how many of the new posts will be filled internally but should vacancies remain at the end of the internal process, an external recruitment process will be commenced.

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

9.1 The LGA's advice is that the proposed structure set out in Appendix A will take the Council forward in the delivery of the Strategic Objective of leading 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.
- 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 Organisational Change Policy will be applied so that the council 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 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 An Equalities Impact Assessment has been undertaken in relation to the recommendations contained within this report. The full assessment is exempt from disclosure because it contains sensitive personal information from which an individual could be identified.

## **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 could improve the structure to better deliver effective, value for money services to our residents.

**Bindu Arjoon, Chief Executive**

**Cllr Phil Bialyk, Leader of the Council**

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

Background papers used in compiling this report:-

None

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