

Date of meeting: 27 March 2023

Title of Report: **Senior Management Structure and Organisational Design**

Lead Member: Councillor Richard Bingley (Leader)

Lead Strategic Director: Tracey Lee (Chief Executive)

Author: Kim Brown (Service Director for Human Resources and Organisational Development)

Contact Email:

Your Reference:

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

As part of the Council's approved budget savings, proposals have been developed to reduce the cost of the senior management structure across the Council.

This report:

- Sets out proposals for changes within the Chief Officer structure of the Council and provides organisational and financial context for these.
- Seeks the extension of interim arrangements concerning the Service Director for Finance

Recommendations and Reasons

That Council:

1. Approves the changes to the Chief Officer structure as set out at section 3 of the report.

Reasons:

To contribute towards the savings required from the Chief Officer / Senior Management Structure within the 2023-24 budget as approved by Council.

Given the significant financial pressures the Council faces it is important that there is an experienced and qualified senior lead for finance and resource leadership across the whole Council

2. Approves the approach to Deputy Chief Officer designations as set out at section 7 of the report

Reasons: To reconfirm and regularise roles and functional arrangements for those reporting to Chief Officers

3. Approves the extension of the appointment of David Northey as the Interim Service Director for Finance (s151 Officer) from 1 April 2023 for a further 6 months.

Reasons:

To ensure that the Council has a s151 officer in post pending the recruitment to the proposed Director of Resources post, in line with legal requirements.

4. Notes the changes to service functions and responsibilities as set out at appendix 3 of the report.

Reasons:

To update Council on the proposed changes in the responsibilities of certain functions within the Chief Officer structure.

5. Notes that amendments will be made to Proper Officer delegations within the Council's Constitution as a result of the changes, set out in section 9 of the report.

Reasons:

To ensure that Proper Officer posts are appointed to as required in line with relevant legislation.

Alternative options considered and rejected

1. To keep the Chief Officer structure as is currently arranged. This would not achieve the required savings.
2. Implement alternative arrangements as set out at paragraph 2.3(d) of the report. These present risks in making what is deemed an efficient leadership model less efficient and potentially disrupting an effective leadership structure.
3. Not to extend the interim Service Director for Finance's contract – there is a legal requirement to have a 'Section 151' officer in post. A process to appoint any other person as an interim would take some time and detract from the process to recruit to the proposed Director of Resources post.

Relevance to the Corporate Plan and/or the Plymouth Plan

Section 3 of the report sets out the values and priorities in the Corporate Plan that have informed the development of the proposals.

Implications for the Medium Term Financial Plan and Resource Implications:

The proposals will generate approximately £182k of recurring annual revenue savings to the Council. Exact figures are subject to the evaluation and final grading of the new Director of Resources post. The cost of any resulting redundancies will be met from the appropriate financial reserve.

Financial Risks

Given the significant financial pressures the Council faces it is important that there is an experienced and qualified senior lead for finance and resource leadership across the whole Council

Carbon Footprint (Environmental) Implications:

None specific to the recommendations of this report.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

None specific to the recommendations of this report.

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

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Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
1	Deletion and creation of posts							
2a	Current structure							
2b	Proposed structure (Chief Officers)							
3	Service functions and responsibilities							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7
Council Agenda Item 11 30 September 2022 and minute							
SOLACE leadership review report October 2021							

Sign off:

Fin	DJN. 22.23. 409	Leg	EJ/11 94/6. 3.23	Mon Off		HR		Assets		Strat Proc	
Originating Senior Leadership Team member: Kim Brown											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 06/03/2023											
Cabinet Member approval: [electronic signature (or typed name and statement of 'approved by email/verbally')] Date approved: Date.											

1. Introduction

- 1.1 The Chief Officer structure of the Council continues to evolve as operational and other demands arise. Over the years various changes have been undertaken to ensure this structure is effective and there is the right capacity and capability to lead the organisation and is in line with legal requirements.
- 1.2 The Current Chief Officer Structure is as set out at Appendix 2a. There are three ways in which an officer is a Chief Officer in law:
- Statutory Chief Officers- those that the Council is legally required to have (it should be noted this is a wider group than the Chief Officers with additional protections in law, which includes the Head of Paid Service, Monitoring Officer and s151 Officer)
 - Non-Statutory Chief Officers - those who the law says are Chief Officers as they report to the Head of Paid Service
 - Deputy Chief Officers – those who report to either a Statutory or Non-Statutory Chief Officer

2. Background and Structure Review

- 2.1. In accordance with Section 4 of the Local Government and Housing Act 1989 and Article 10 of the Council's constitution, the Chief Executive (Head of Paid Service) may rearrange and restructure to move service areas between Chief Officers. There is no need for the Head of Paid Service to seek approval unless:
- they consider that it is appropriate to report to Council; or
 - there is a need to appoint an individual to a new/unoccupied Chief Officer post; or
 - there is a need to dismiss an individual from a Chief Officer post.
- 2.2 As the proposals include the deletion of a Chief Officer post, which may result in redundancy (and therefore a dismissal) and the creation of a new post which will need a new appointment to it, the proposal is being brought to Council by the Chief Executive for consideration.

Chief Officer Review

- 2.3 In October 2021 an external review of the senior management structure of the Council was undertaken and concluded:
- a. The City Council's leadership arrangements are directly comparable with authorities of a similar size, complexity and cost.
 - b. The Council's federated directorate model mirrors the organisational design of many other councils aligning with the Corporate Plan, enabling a clear line of sight from directorates to priorities.
 - c. Feedback from the then Corporate Management Team (CMT) was about capacity issues and therefore the degree to which leaders were able to prioritise and deliver the more strategic agendas for which they are responsible.
 - d. Options to address misalignment and/or gaps provided included structural changes to create a more operational customer focused directorate; this was given with the caveat that there are risks around making what is an efficient leadership model less efficient and disrupting an effective leadership structure. Any change would need to be considered in the light of the added value in terms of objectives, service delivery, performance and transformational change.
- 2.4 Since then, the Council has experienced unprecedented financial pressures resulting in the need to

save £37M in 2023-24, and further savings will be required in 2024-25. As Council will be aware, the approved 2023-24 budget included a saving of £200k to be achieved from senior manager and support costs.

The Council currently has the following permanent Chief Officer vacancies;

- Service Director for Finance (s151)
- Service Director for Education, Participation & Skills
- Service Director for Digital and Customer Experience
- Service Director for Commissioning (a post shared with NHS Devon)

2.5 Broad Principles for structural change and considerations

- We are “One council”
- Form Follows Function and organisational design principles will be followed
- Our size is dictated by available budget and should be as lean as possible
- Organisational redesign can’t deflect us from delivery
- How we deliver services is as important as what we deliver.

2.6 Our Priorities

Our Mission: To build back better and make Plymouth a great place to live, work and visit		
Values	Priorities	Delivery
Democratic	Unlocking the city’s potential	Empowering our people to deliver
Responsible	Caring for people and communities	Providing a quality service to get the basics right first time
Fair		Engaging with and listening to our residents, businesses and communities
Collaborative		Providing value for money
		Championing Plymouth both regionally and nationally

2.7 Key Drivers for Change

Managing our financial challenges and saving £200k	Promoting democratic engagement and the role of Councillors	Integration with partners and the Plymouth ‘family of companies’
The delivery of the Plymouth Plan and Corporate Plan	Providing clear and visible leadership of the whole organisation and not being seen as ‘siloed’	Transforming the way we work
Performing at our best – strong and effective service performance	Changing expectations from residents – citizen focus and customer experience	Ensuring we play our part in the city, region and nationally

Considerations in service design

- 2.8 The current labour market is extremely tight and is 'candidate led'. Plymouth City Council rates of pay in some areas are falling behind comparators. We need to ensure we are as lean as we can be regarding senior managers, but this needs to be balanced against an extremely ambitious agenda. To realise and deliver a significant savings programme for the Council the right Chief Officer, leadership and senior management capacity is required - cutting too deep will mean this is at risk.
- 2.9 We have been working towards a system of having a consistent organisational design – with appropriate management 'spans and layers'. Since August 2020 we have reduced the number of managers in the organisation by 62. As of August 2022, the percentage of managerial positions in the workforce was 16.67% compared with 18.75% in August 2020. We are creating 'job families' and consistent role profiles which incorporate skills, qualifications, knowledge and behaviours. Experience shows however that in some cases it is better to have technical teams reporting directly into a Strategic Director or Service Director rather than through a Service Director or Head of Service. Whilst the result will be a non-uniform management layer, this will provide an opportunity to design structures that meet the Council's objectives and therefore those of the city.

3. Restructure Proposals

Corporate Services

- 3.1. Services in this area include Human Resources and Organisational Development, Facilities Management and Corporate Property, Digital and Customer Services, Information Governance, Finance, Procurement, Strategic Projects (except those in the Place directorate). Given the significant financial pressures the Council faces it is vital there is an experienced and qualified senior lead for finance and resource leadership across the whole Council. This role will also be the statutory s151 Officer.
- 3.2. It is therefore proposed to **DELETE** the **EXISTING** post of **Strategic Director for Customer and Corporate Services** and **CREATE** a **NEW** post of **Director of Resources (s151 Officer)** which reports directly to the Chief Executive.

The new role will be subject to consultation and an independent grading process.

The following existing Chief Officer posts will report to this new post:

- Service Director for Human Resources and Organisational Development
- Service Director for Digital and Customer Experience

- 3.3 The **Service Director for Finance** post will also be **DELETED**.

Once an appointment is made to the Director of Resources (s151 Officer) it is anticipated they will consider the management structure within the Directorate. Therefore, no other changes are being suggested within this proposal.

A summary of the proposed creation and deletion of posts is set out in Appendix 1.

Details of the existing and proposed structures are attached at Appendix 2.

4. Effecting Changes and Consultation

4.1. Feedback and comments have been sought and taken into account from key stakeholders in the development of the proposals in line with established policies and legal requirements. Stakeholders have included:

- affected Chief Officers
- other employees impacted upon by the proposal.
- Elected Members – Chief Officer Appointments Panel
- Trade Union colleagues

4.2 There is an established and legally compliant process to ensure that requirements are met with regard to redundancy and that any impacts upon the process used for Chief Officer posts are managed appropriately.

4.3 As it is proposed that two such posts are deleted, any individual directly impacted will be supported through a process of individual consultation, given opportunities for redeployment and only then would any Statutory Notice of Redundancy be issued. The Service Director for HROD will support this activity.

5. Timeline

5.1 A **draft** timeline has been prepared below; this is subject to change.

27 March 2023	Council Report on Organisational Design If approved move to implement proposals
Post Council meeting	“At risk” notification issued. A four-week redeployment period commences. At the end of the redeployment period if no new role found, the Statutory Notice of Redundancy (SNOR) issued. Employees have a right of appeal against their selection for redundancy. Appeals Panel may be required. Notice period dependent on length of service. Redundancy payment based on Statutory Redundancy Figure (will change in April 23) Ensure that any statutory consultation period has been allowed ahead of any dismissal on grounds of redundancy.
1 April 2023	Moves to new areas start to take place – individual areas then review impact on own structures and undertake any further design and change pieces.
14 April 2023	Chief Officer Appointment Panel Potential Appeals Panel

6. Extension of the arrangements for the Interim Director of Finance

- 6.1 Council will note David Northey was confirmed as the Council's interim s151 Officer and Service Director for Finance at the meeting of the 30 September 2022, with effect from 3 October 2022.
- 6.2 The interim contract arrangements are due to end on the 31 March 2023, however this will not allow sufficient time to recruit to the newly established Director of Resources and, without being extended, would leave the Council without a s151 Officer. It is a legal requirement that the Council have an appointed s151 Officer.
- 6.3 On this basis approval from Council is sought to extend the interim appointment of David Northey from the 1 April 2023 until the 30 September 2023.

7. Chief Officer Confirmation

- 7.1 As explained above at Section 1 Chief Officers form three categories. The current starting point is that a direct report to a Statutory or Non-Statutory Chief Officer will be a Deputy Chief Officer.
- 7.2 As previously agreed by Council, some posts that report to a Statutory or Non-Statutory Chief Officer have been confirmed as not being a Deputy Chief Officer, with the functions concerning HR related decisions and processes delegated to the Head of Paid Service. The reason for this is post specific, where the nature of the roles and their operational focus are considered to be technical in delivering only specific aspects of the functions of the relevant Statutory or Non-Statutory Chief Officer.
- 7.3 Rather than seek specific agreement on a case-by-case basis Council is asked to confirm that:
- Only those reporting to a Statutory or Non-Statutory Chief Officer who occupy the post of Service Director will be designated as Deputy Chief Officers; and
 - That in all other cases the post holder reporting to a Statutory or Non-Statutory Chief Officer will not be a Deputy Chief Officer on the basis they are technical roles in delivering specific aspects of the relevant Statutory or Non-Statutory Chief Officer only. Therefore, all HR related decisions and processes concerning those direct reports which are not a Service Director will be delegated to the Head of Paid Service.
- 7.4 The changes will mean that all posts set out in Appendix 2a and 2b as Service Directors will be within the above arrangements (2a pre restructure and 2b post restructure). All other direct reports to a Statutory or Non-statutory Chief Officer not shown on the structure will be not be designated as a Deputy Chief Officer.

8. Changes to responsibilities for functions

- 8.1 The Head of Paid Service has the delegated authority with regards to all staffing matters other than where they relate to an officer in the Chief Officer structure. Under these powers the Head of Paid Service is proposing to move a small number of responsibilities for functions within the structure. The amendments are shown in Appendix 3 to this report highlighted in yellow – showing where the service will sit post movement. It is anticipated that these changes will be implemented from 1 April 2023. Consultation has been undertaken with staff who are affected by the change of line management and responses provided by the Head of Paid Service to any questions and representations.

9. Resulting Proper Officer Changes:

9.1 The following changes to proper officer appointments will be made because of the restructure, to ensure proper officers are identified and appointed.

Local Government Act 1974	Section 30(5) Strategic	Giving notice that copies of an ombudsman's report are available	Strategic Director for Customer and Corporate Services Director of Resources
Registration Services Act 1953		Power to act as proper officer for the registration service	Service Director for Customer and Corporate Services Director of Public Health

9.2 Other minor amendments will be required to the Constitution to ensure that revised roles and titles are consistently referenced, and these will be undertaken by the Monitoring Officer.

10. Financial Implications

10.1 The proposals will generate approximately £182k of recurring annual revenue savings to the Council. Exact figures are subject to the evaluation and final grading of the new Director of Resources post. The cost of any resulting redundancies will be met from the appropriate financial reserve.

APPENDIX I**DELETIONS**

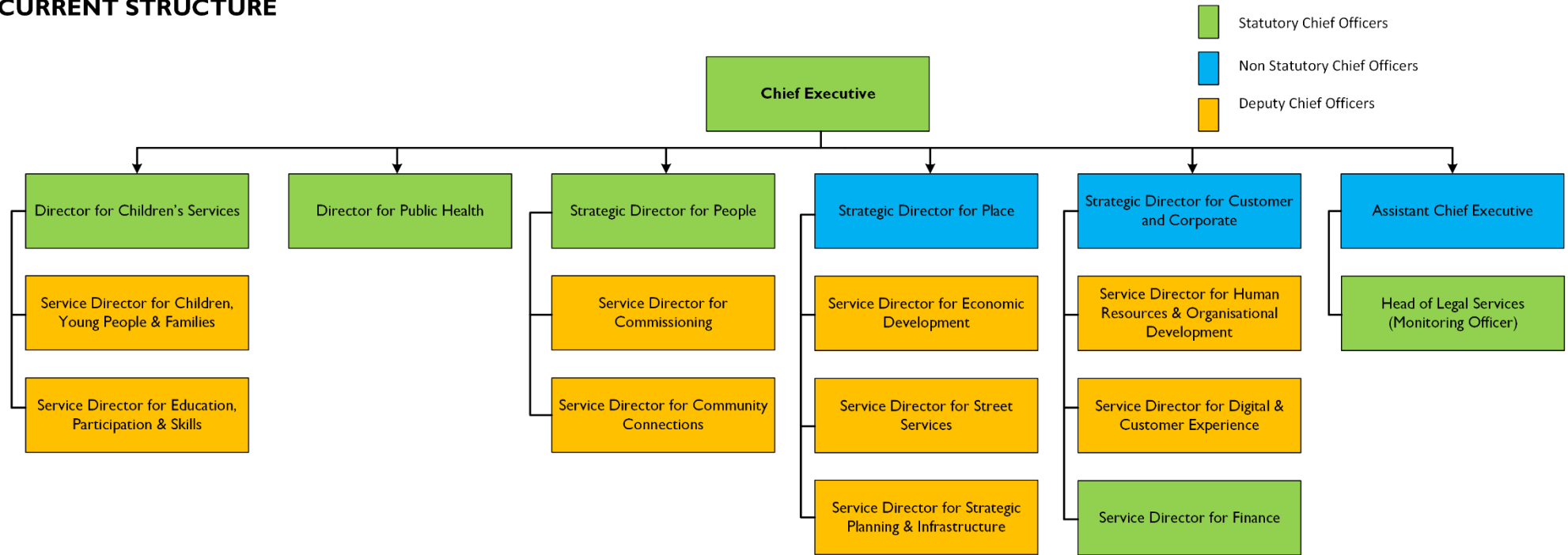
POST TITLE	Post reference	Full Time Equivalent	Grade	Vacant/Occupied
Strategic Director, Customer & Corporate	302749	1	Chief Officer Band 2	Occupied
Service Director for Finance	307365	1	Chief Officer Band 4	Vacant – interim postholder

NEW ROLES

POST TITLE	Full Time Equivalent	Estimated Grade	Terms & Conditions	Notes
Director of Resources (s151 Officer)	1	Chief Officer Band 3	JNC	Subject to evaluation

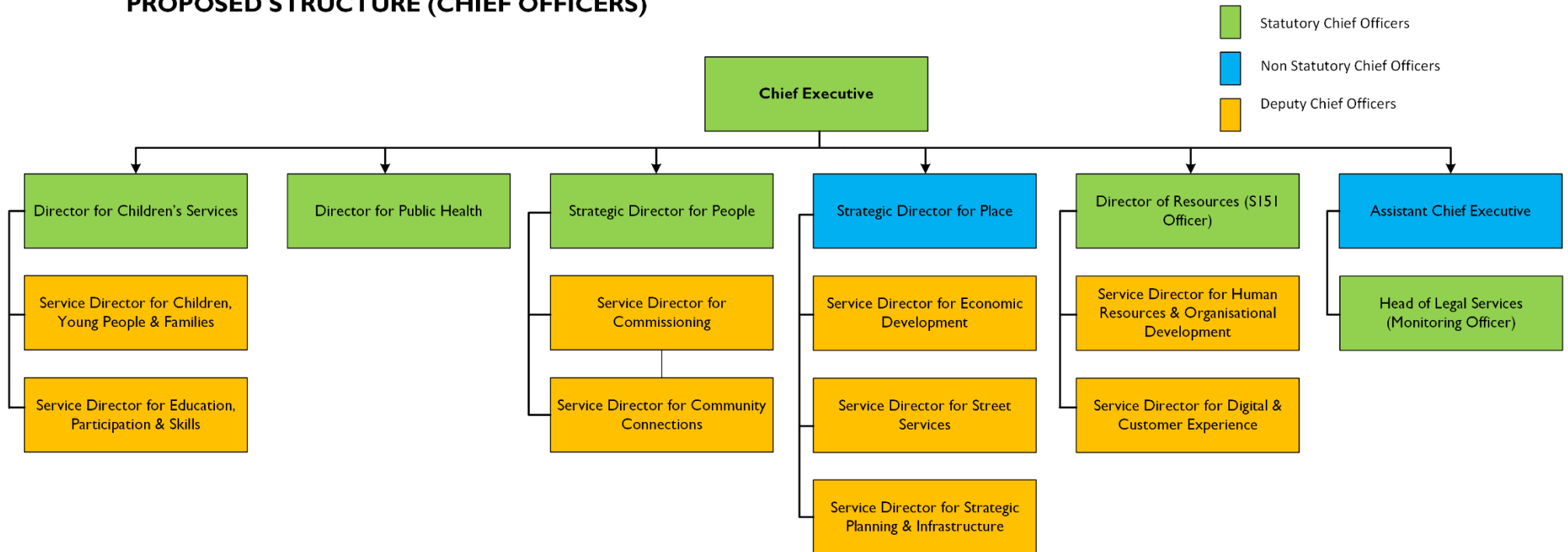
APPENDIX 2a

CURRENT STRUCTURE



APPENDIX 2b

PROPOSED STRUCTURE (CHIEF OFFICERS)



Appendix 3

SERVICE ROLES & RESPONSIBILITIES

YELLOW HIGHLIGHT INDICATES TRANSFER

PUBLIC HEALTH DIRECTORATE	
<u>Federated with:</u> <ul style="list-style-type: none"> • People • Children's Services 	<u>CMT cross cutting lead for:</u> <ul style="list-style-type: none"> • Sport and Physical Activity • Data and Intelligence • Community Empowerment
DIRECTOR FOR PUBLIC HEALTH	
<u>Responsibilities:</u> <ul style="list-style-type: none"> • Public Health • Trading Standards (client) • Cemeteries and Crematoria • Health Inequalities • Sports Development • Plymouth Active Leisure • Environment Protection and Monitoring (excluding contaminated land)* • Food Safety and Standards* • Licensing, Health and Safety • Registration and Coroners 	

*Previous plan was to move these services to Community Connections, however following a review post-Covid they will stay in this directorate.

PEOPLE DIRECTORATE

Federated with:

- Children's Services
- Public Health

CMT cross cutting lead for:

- Neighbourhood Working
- Violence Against Women and Girls
- Voluntary & Community Sector Engagement VCSE

STRATEGIC DIRECTOR FOR PEOPLE

Responsibilities:

- Service Director for Integrated Commissioning
- Service Director for Community Connections
- Direct management for Head of Adult Social Care and Retained Service

SERVICE DIRECTOR FOR INTEGRATED COMMISSIONING

Responsibilities:

- Integrated Commissioning for PCC, Devon ICS and other parties
- Development of the Local Delivery Partnership for Plymouth Strategic Commissioning & Contracting
- Statutory functions of Adult Social Care and retained in-house function
- In-house provision for respite and learning disability services
- Allocation, monitoring and commissioning of Integrated Fund
- Needs analysis, strategic commissioning intentions, market positions statements and engagement, implementation plans for Children, Adults and Older People
- Procurement of services related to health and social care (all age)
- Contract management and performance/improvement oversight

SERVICE DIRECTOR FOR COMMUNITY CONNECTIONS

Responsibilities:

- Police and Fire Services day to day relationships
- Housing Improvement
- Asylum Seekers and Refugees
- Homelessness operational delivery
- High rise building safety
- Safer Communities
- Contest
- Community Safety Partnership
- Violence Against Women and Girls
- Gypsy and Travellers
- Universal Youth Work

CHILDREN'S SERVICES DIRECTORATE	
<u>Federated with:</u> <ul style="list-style-type: none"> • People • Public Health 	<u>CMT cross cutting lead for:</u> <ul style="list-style-type: none"> • Skills
DIRECTOR FOR CHILDREN'S SERVICES	
<u>Responsibilities:</u> <ul style="list-style-type: none"> • Service Director for Children, Young People and Families • Service Director for Education, Participation and Skills • Direct management for the Children's Services Improvement Lead • Direct management for the Children and Young Persons Performance and Planning Lead (temporary) 	
SERVICE DIRECTOR FOR CHILDREN, YOUNG PEOPLE AND FAMILIES	
<u>Responsibilities:</u> <ul style="list-style-type: none"> • Children's safeguarding • 16+ service and transition • Children in Care and Care Leavers • Permanency and placements • Advice and assessment • Children in the community • Out of Hours service • Family Support/Troubled Families • Targeted Youth Support 	
SERVICE DIRECTOR FOR EDUCATION, PARTICIPATION AND SKILLS	
<u>Responsibilities</u> <ul style="list-style-type: none"> • School Improvement • School Organisation and Admissions • Early Years Team • Governor Services • PACLS • SEND • Integrated Locality Service • Educational Psychology • School Transport • Education Catering • Alternative Complementary Education • Centre for Young Parents • CHIDS • Skills • School Sports Partnership 	

PLACE DIRECTORATE

CMT cross cutting lead for:

- Inclusive Growth
- Climate Change and Sustainability

STRATEGIC DIRECTOR FOR PLACE

Responsibilities:

- Service Director for Strategic Planning and Infrastructure
- Service Director for Economic Development
- Service Director for Street Services

SERVICE DIRECTOR FOR STRATEGIC PLANNING AND INFRASTRUCTURE

- **Responsibilities:**
- Development Management
- Planning
- Building Control
- Joint Local Plan
- Housing Delivery & Empty Homes
- Climate Emergency and Carbon Reduction
- Natural Infrastructure Planning
- Strategic Transport, Infrastructure and Investment Planning
- Capital & Strategic Growth Programme Management
- Strategic Waste & Minerals Planning
- Engineering Design
- Local Flood Authority
- Strategic Projects
- Cross cutting responsibility: Plymouth Plan

SERVICE DIRECTOR FOR ECONOMIC DEVELOPMENT

Responsibilities:

- Inward Investment
- Business Engagement
- Destination Plymouth
- Plymouth Science Park
- Museum, Arts/Culture incl. The Box
- Events and Tourist Information
- Freeport
- Land & Property
- Strategic Development Projects
- Enterprise Zone
- Mount Edgcumbe
- Asset Investment Fund/ Asset Management
- National Marine Park

SERVICE DIRECTOR FOR STREET SERVICES

Responsibilities:

- Plymouth Highways
- Management
- SWH Contract Management
- Fleet & Garage
- Winter Maintenance
- Road Safety (inc. Vision Zero SW)
- Gullies
- Tamar Crossings
- National Marine Park Operations
- Street Lighting
- Parking & Marine
- Street Scene and Waste Services
- Household Recycling Centres
- Green Estate: Parks/Green Space Maintenance
- Trees
- Environmental Planning and Infrastructure projects (exc. Climate/Carbon and Natural Infrastructure Planning)

RESOURCES DIRECTORATE

Federated with:

- Chief Executive Office

CMT cross cutting lead for:

- Customer Experience
- Senior Information Risk Owner (SIRO)
- Family of Companies, including;
 - Shareholder responsibility
 - Social Value

DIRECTOR FOR RESOURCES (SI51 OFFICER)

Responsibilities:

- Service Director for Digital and Customer Experience
- Service Director for Human Resources and Organisational Development
- Direct management of Finance (inc. Insurance)
- Direct management of Corporate Property and Facilities Management

SERVICE DIRECTOR FOR DIGITAL AND CUSTOMER EXPERIENCE

Responsibilities:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Customer Services • Counter Services • Contact Centre and Front Doors • Corporate Complaints • Library Services (including school libraries) • Business Change & Transformation | <ul style="list-style-type: none"> • Digital • Information Governance & FOI • Business Support • Land Charges |
|--|---|

SERVICE DIRECTOR FOR HUMAN RESOURCES AND ORGANISATIONAL DESIGN

Responsibilities:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Employee Relations • Organisational Development • Health, Safety and Wellbeing • HR and OD policies and plans | <ul style="list-style-type: none"> • Recruitment • Payroll and Pensions |
|--|---|

CHIEF EXECUTIVE OFFICE**Federated with:**

- Resources

CMT cross cutting lead for:

- Equalities
- Anti-poverty Strategy

ASSISTANT CHIEF EXECUTIVE**Responsibilities:**

- Governance and Oversight; including Democratic and Member Support
- Lord Mayor's Office
- Risk and Performance management
- Policy and Intelligence
- Regional Partnerships
- Public and Partner Relations; including communications and marketing
- Electoral and Registration Services; including land and property data management
- Line management of the Monitoring Officer
- Civil Protection

HEAD OF LEGAL SERVICES & MONITORING OFFICER

- Legal Services
- Procurement (exc. Insurance)
- Councillor Standards (Monitoring Officer Functions)
- Governance (Monitoring Officer Functions)