

## PLYMOUTH CITY COUNCIL

**Subject:** Organisational Design  
**Committee:** Full Council  
**Date:** 29 January 2018  
**Cabinet Member:** Councillor Ian Bowyer  
  
**CMT Member:** Tracey Lee, Chief Executive and Head of Paid Service  
**Author:** Tracey Lee, Chief Executive and Head of Paid Service  
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**Ref:**  
  
**Key Decision:** No  
**Part:** I

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### **Purpose of the report:**

Proposals have been developed to update the senior management structure of Plymouth City Council to enable capacity to be in place to deliver a number of key strategic priorities.

This report sets out information around our current drivers for change, the proposals for changes within the Council Management Team (CMT) and the Senior Management Team (SMT), the approach taken so far and a timetable for implementation.

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### **The Council Corporate Plan**

Recommendations within this report align to the current Plymouth City Council Corporate Plan.

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### **Implications for Medium Term Financial Plan and Resource Implications:**

#### **Including finance, human, IT and land:**

These changes can be contained within existing budgets; the proposed changes will have no adverse impact on budgetary provision.

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

None identified

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### **Equality and Diversity:**

Council needs to have due regard to its duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equality Act and those who do not.. Actions around recruitment and grading of roles will be in line with established City Council policies and processes.

Has an Equality Impact Assessment been undertaken? Yes

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**Recommendations and Reasons for recommended action:**

It is recommended that:

- 1) Council approve the proposals for changes to the Plymouth City Council Senior Leadership Team.
- 2) Note the outline timetable implementing the changes to Chief Officer positions.
- 3) Council authorise the Chief Officer Appointments Panel to consider any further responses from any collective and individual consultation undertaken; approve the role profiles of the new positions; agree how the roles will be selected and make appointments to roles as appropriate.
- 4) The Council's constitution is amended to reflect the changes to the Chief Officer structure and any changes to the designation or operation of Statutory Roles.

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**Alternative options considered and rejected:**

None

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**Published work / information:**

None

**Background papers:**

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7
Senior management restructure proposal 16 September 2013. Equality Impact Assessment		X				4.2.2			

**Sign off:**

Fin	pl17 18.1 81	Leg	LT 29 75 7	Mon Off	Lt/ DV S/2 975 7	HR O D	AM:18/01/18	A s s e s s m e n t s	IT	Strat Proc	
Originating SMT Member: Tracey Lee											
Has the Cabinet Member(s) agreed the content of the report? <b>Yes</b>											

## **I. INTRODUCTION**

The Council last undertook a restructure of its senior management team in November 2013. Since then, the landscape for local government in general and Plymouth in particular has continued to change. In November 2015, the LGA Corporate Peer Challenge identified a council that was modernising and transforming with a clear and compelling vision for our city.

The Council is working on a number of challenges concurrently rather than consecutively. The direction in which the leadership wishes to take the Council is clear, there is a strong strategic narrative about what the organisation wants to achieve. Action is required to ensure that senior management capacity and capability is in place to meet these challenges.

In the light of this, a flexible organisation is needed. One that is ready to change and adapt as issues arise and which is supported by the right structural arrangement. An Organisational Design approach has been adopted. Engagement with strategic leaders has been undertaken to diagnose what we need to address and from that, a proposed first stage senior management structure has been defined and created. This seeks to maximise the opportunities for collaboration across departments, peer challenge and improved service delivery to customers. It is also the starting point for further changes as the landscape in which we operate continues to be redefined.

## **2. DRIVERS FOR CHANGE**

The success of our City and the City Council is in part due to the way we adapt to change. The following are seen as key drivers:

### **2.1 The delivery of the Plymouth Plan and Corporate Plan (JLP)**

The Plymouth Plan and JLP, in association with our neighbouring districts in Devon, supports the growth agenda both within the city and the wider Travel To Work Area. Delivery plans are in place and this provides a strong focus for the city's strategic partnerships to rally behind. The Council's corporate plan sets out how the Council will deliver the Plymouth Plan as part of the wider city system but also how it will focus on continuing to deliver services for the people of the city.

The Council has three roles in delivering the vision for the city:

- Community leadership, advocating for the city
- Facilitating partnerships at all levels and connecting communities
- Commissioning services and delivering them through the most appropriate means

## 2.2 Promoting democratic engagement and the role of Councillors

Democracy is at the core of the Council's values, and ensuring that Councillors are properly supported in delivering their three key roles: political leadership, oversight and scrutiny and championing their communities is something that needs to extend across the whole workforce with employees informed by a well-developed understanding of their role.

It is a priority to ensure that appropriate, bespoke support is available to Councillors focused on their individual needs and complementing their different roles, and that this is provided from the most appropriate source across departments of the Council, from partners and external organisations such as the LGA.

Ward-based governance and engagement arrangements for Councillors, multi-agency problem solving arrangements, reliable casework handling and feedback and customer insight to inform decision-making are all elements in our plans, equipping Councillors to do their job.

## 2.3 Meeting our financial challenges and transforming the way we work

The Council has a 3-year medium term financial strategy in place. Key to balancing the books in the last 4 years has been the Council's transformation programme, which has delivered £65m of savings. Without this, the Council would have continued to salami slice its services. Given the fundamental change required and skill sets we needed to develop the transformation programme, the Council took the bold step in 2013 to fund extra resources to ensure we had the right capability and capacity whilst developing our own expertise. The work programmes for transformation are now well established and it is important we seek ways to ensure they are delivered through enhanced ownership within the Directorates.

In the meantime, we need to consider what we do next in order to deliver the best outcomes for our residents.

Key to this will be:

- To ensure we focus on **outcomes** rather than just **services** for services sake.
- We consider residents as **citizens** as well as customers and respond to their requirements whilst ensuring clarity on rights and responsibilities.
- We consider how we manage **risk** but also how we explore **opportunities** and take bolder steps to do this
- We move from having a wealth of **data** to a situation where we understand what this data is telling us and use this to make decisions (**intelligence**).

## 2.4 An ambitious growth agenda

The City has huge ambition around its growth agenda. The Joint Local plan (JLP) sets out our ambition for 19,000 new homes, 20,000 new jobs and 243,000m<sup>2</sup> of employment space for the period up to 2034. In support of that we have developed an ambitious and interventionist Capital Programme and with a range of public and private partners are investing over £600m over the next 5 years. In the last 4 years there has been over £1 Billion of development

approved by our Planning Committee, of which 71% has been built or is currently under construction. Last year £257.8 Million of development was approved and in just the last 3 months, £61 Million of projects have received planning permission. All new housing and regeneration brings with it a growth dividend for the city through new homes bonus, increased business rates and more council tax payers; all of which help support ever stretched services. This has totalled £20.9m in the past 5 years.

## **2.5 Performing at our best – strong and effective service performance**

The Council needs to ensure it is effective in delivering services and challenges performance at all levels. It is important strong business planning, performance management and continuous improvement is embedded within services.

Priorities to deliver the next level in performance improvement will include improved analysis so that we better understand our organisation and its position within the city, region and nation, a shared understanding and commitment to priorities for improvement and demonstrating that there is a clear link between our individual objectives and the Council and City's priorities.

## **2.6 Changing expectations from residents – citizen focus and customer experience**

We need to continuously ensure we are responsive to the expectations of residents and businesses. This involves:

- Coordinating our activity effectively
- Making it easier for people to contact and transact with the Council by being relentless at putting digital services at the heart of what we do
- Being straight forward with people about the challenges we face so they can help solve them
- Building networks and partnerships

The ethos and culture for effective customer experience needs to be ingrained in everything we do across the whole organisation.

## **2.7 Integration with partners and the Plymouth family**

The Council uses its blue print operating model to develop more appropriate outcomes for people and more effective service delivery, standardising, simplifying and sharing wherever possible. The environment within which services are commissioned and delivered continues to change and more and more of this is done with others, through the Plymouth Family or wider partnerships. Specific developments on the horizon are detailed below. It is important that any design enables capacity for such opportunity:

**a) Contract to run Children’s Services in Torbay**

In September 2017, Plymouth City Council endorsed an in principle decision to progress the development of a contractual arrangement to run Torbay’s Children’s Services, including education, and to undertake due diligence to develop a detailed contractual arrangement for consideration by Council in January 2018. This follows on from a recommendation made by John Coughlan, the Commissioner for Torbay’s Children’s Services, to the Minister of State for Children and Families earlier this year, which has now been formalised by the Department for Education through an updated Direction to Torbay. The arrangement would involve the two councils sharing a Statutory Director of Children’s Services. A further paper on this matter is before Council today.

**b) Strategic Transformation Plan (STP) and development of Local Delivery Partnership for the Western System**

Across the Devon STP all partners are working towards the development of a new Accountable Care System for Devon which includes a single strategic commissioner and 4 Local Delivery Partnerships based on a Place based model of health and care, a Mental Health ACDS and a network of acute hospitals. One of these local delivery partnerships will cover the Western locality including Plymouth. A Devon wide Organisational Design Steering Group was established to oversee all the work streams. The Chief Executive of PCC is on this group to lead the development of the Local Delivery System for Western locality including Plymouth, also working with Cornwall for residents from this area who access NHS services in Plymouth.

The Western local delivery partnership is being developed through the Taking Change Forward group which is a small group of Senior Executive’s from Plymouth Hospitals NHS Trust (PHNT), Livewell SouthWest (LWSW), PCC, NEW Devon CCG, Devon County Council and a GP provider representative and is chaired by the Chief Executive of PCC. Work is currently underway to develop a set of integrated commissioning intentions incorporating all the outcomes required from the STP mandates and building on the integrated work already in place in Plymouth. The Taking Change Forward group will consider these in January prior to agreeing and implementing the future integrated model of care across acute, community health and social care, specialist and primary care by April 2019 or earlier if possible.

This will lead to further integrated accountable care for Plymouth with commissioning arrangements which reflect the direction set by the Strategic Commissioner which are delivered through a capitated budget at Place. It will require further development of the wider workforce to deliver services in a more joined up way across the health and care sector and will develop the work in Plymouth to the next level of integration. The aim is to provide the best possible care in a seamless way for the people of Plymouth and the wider peninsula we serve.

**c) Education Services**

Government Policy has seen a change in the role of the education department in Local Authorities as funding for education has significantly reduced and many schools become academies and join Multi-academy trusts. The responsibilities of the Local Authority will now be to deliver a small number of statutory functions to academies (approx. 75% of city schools)

with some additional improvement and oversight of maintained schools. This dual system has operated well in the city for the last few years with the Local Authority supporting schools irrespective of their governance arrangements.

With the reduction of funding it has become necessary for the Council to confirm the role of the education, skills and participation department within an agreed set of roles as a champion, commissioner and convenor of services for children and young people. It was further agreed at Cabinet on 31 October 2017 to pursue an option whereby an agreed range of services would be delivered in a long-term partnership with schools and that a further paper will come to Cabinet in 2018 to establish this partnership.

This will clearly lead to a different delivery model within this service area, for example building on the existing Cater.Ed model or developing a different option; this will be clarified over the next few months as the options appraisal is developed further.

Work is also well advanced to integrate a small part of some services for children and young people with Special Education Needs and Disability (SEND) with partners in PHNT and LWSW.

#### **d) Shared back office services – DELT**

Following a strategic options review on the future of the Council's back office services, Cabinet gave approval in September 2017 to the development of a full business case and associated service specifications for a shared services model of delivery hosted by DELT. As recommended by Scrutiny and approved by Cabinet, Trade Union engagement is underway to consider the issue of trade union recognition within DELT.

#### **e) Direct Delivery**

Where appropriate the Council should lead and deliver services for the residents of the city that affect them in their daily lives. The recent procurement of Highways has shown that certain elements can be brought back within the council whilst working in partnership with a private contractor to deliver on the ground activity. There is no one size fits all approach to the delivery of services and where appropriate having direct control and influence should be given strong consideration.

#### **f) Regional and sub-regional agenda**

It is becoming more and more important that the Council plays a leading role in partnerships both with the region and wider. Initiatives like the Joint Committee for the Heart of the South West, the NHS Sustainability and Transformation Plan for Devon, the Plymouth, Exeter and Torbay High Growth Corridor and South Coast Marine Clusters are just a few of the important initiatives which bring benefits to the partnership but also directly to Plymouth. Appropriate capacity must exist for the Council to continue to take a leading role.



### **3. SENIOR MANAGEMENT CAPACITY AND CAPABILITY – THE ORGANISATIONAL DESIGN PROCESS**

In September 2013 Full Council approved proposals to reduce the cost of the senior management structure across the Council. Since then a number of further changes have been introduced to respond to the needs of the Council and changing external environment and this must continue.

An Organisational Design process has been used to enable this. This is the process of shaping an organisational structure to align it with the purpose of the Council and the context in which it operates. Reviewing the rapidly changing internal and external environment helps ensure the ability to respond with agility to changing demands. This approach aims to improve resilience as well as the ability to deliver better outcomes for citizens.

Engagement was undertaken with a number of stakeholders to review the “as is” and to be clear on the drivers for change. That diagnosis has identified what capabilities and capacity is needed now to deliver those objectives and plans. A high-level organisational picture has emerged which has been critiqued and consulted on more widely in advance of this final report to Full Council .

Following engagement a formal proposal was shared wider and consulted on, this included copies of role profiles where changes had been made to the content of roles.

A number of comments were received, reviewed and considered against the original proposals. A final document was shared confirming the outcome of the consultation process and the proposals that would be presented to Full Council.

Three stages are proposed to phase in any changes.

**Stage 1 is a short focussed piece of work** ensuring capacity at senior level for dealing with immediate and short term challenges, addressing current and short term functional requirements as a result of the current drivers for change. There are a small number of changes proposed to the Senior Management structure and further details are in section 5. The planned implementation date of any changes arising from this is by 1 April 2018 and any changes made will be reviewed within 6 months of that date.

**Stage 2 will allow time for consolidation and learning from Stage 1 implementation.** This phase will focus on a strategic work force planning approach for the Senior Leadership Team. Activities will include succession planning, the career development and aspirations of the Council’s senior people to ensure that future proofing and the avoidance of single points of failure are key to resources in this area. This approach also seeks to ensure plans are in place for knowledge transfer wider across the senior leadership team.

**Stage 3 will take us forward again.** This phase is likely to be implemented wider across parts of the organisation as the impact of senior roles being realigned embeds. Work will start

after appropriate engagement and consultation activity. Elements may run concurrently with activities in Stage 2.

It will be clear from the vision and drivers that as our organisation meets further challenges and gains clarity on the impact of these; further changes are very likely to be necessary.

As an example, since the start of consultation on these proposals we have received the resignation of the AD HROD. That post holder was undertaking a joint Strategic Director role, sharing the responsibilities of the vacant Strategic Director for Transformation and Change role with the AD Finance. That arrangement, which was put in place following a formal process of interview at the Chief Officer Appointment Panel, was due to continue to 30 June 2018

We will continue to take a planned and phased approach to implementing change engaging with employees, Members, Trade Union colleagues and stakeholders as appropriate.

#### **4. PRINCIPLES**

The starting point is the desire to build on the extensive work undertaken since 2013 rather than making change for change's sake. As part of the engagement around organisational design, the huge amount of work undertaken by this organisation since that restructure is acknowledged and the plan is to build on existing strengths and talent. Important design principles established in 2013 have been reviewed and the following remain at the heart of how senior managers will operate:

- Strategic Directors and Service Directors, (the new title proposed for current Assistant Directors) will be Commissioners for the people of the city. They will ensure outcomes are delivered through close working with Members and enabling active engagement by stakeholders and residents, co designing solutions and ensuring the most effective mechanisms for delivery are in place. All of this will be carried out within the context of our values – fair, responsible, democratic, partners.
- System leadership principles will be applied, senior managers will become peer leads on cross cutting issues, mandated to work across the organisation and with partners to ensure the best solutions are identified and implemented. This includes the establishment of 'centres of expertise' to create capacity and expertise to contribute to systems transformation. We will cut through silos both within the organisation and with our partners to ensure we are delivering the best solutions.
- Service Directors will have responsibility for managing their services, enabling Strategic Directors to focus on driving the Council's overall objectives at a city, sub region, regional and national level.
- We will ensure there is clarity across the organisation on the respective roles and responsibilities of officers and members, ensuring Members are properly supported in their community leadership, decision-making and strategic roles.

- We will make decisions as close to the customer as possible.
- We will take a value lead approach to performance management, embedding individual accountability for delivery and a sense of mutual trust.

## 5. PROPOSALS

Organisational charts are attached at Appendix A and B showing the current and proposed structure. As further phases of organisational design take place this may offer the opportunity for savings or further shared funding of posts.

The changes, in summary are:

- Creating a **NEW Director of Children's Services** role working across both Plymouth and Torbay Councils and reporting to both Chief Executives. The post will be on the Plymouth City Council structure and a **secondment agreement** will facilitate the practical operation of the contractual arrangement to run Torbay's Children's Services, including Education, from 1 April 2018. This post will be the **subject of an internal ring fence**. As this is a new role consideration was given to advertising the role externally however as an exception the decision was made to operate an internal ringfence and undertake a robust recruitment process involving an external Technical Expert and an assessment centre process.

The rationale is that this approach will support some of the critical factors around the proposed contractual arrangement. These include:

- Ensuring a post holder with appropriate knowledge and experience is in place as quickly as possible,
- Ensuring continuity and no loss of traction in our own transformation and improvement journey.
- Building on the large amount of development work undertaken
- Utilising the internal knowledge and expertise built up in relation to how the contractual arrangement would operate.
- The **Strategic Director of People becomes a joint post with NEW Devon CCG**, providing a Chief Officer role which reports to the PCC Chief Executive and Accountable Officer of the CCG. This post will focus on the delivery of the Local Delivery partnership and develop the integrated Place based commissioning structure and ensure effective links to the work at Strategic Commissioning level for the whole of Devon. A secondment agreement will facilitate the practical operation of the contractual arrangement. It is proposed that the **current Strategic Director of People retains this role**.
- Refocussing the work of the former and vacant post of Strategic Director of Transformation and Change to become a **Strategic Director for Customer and Corporate Services**. This is a **NEW role** and will be **externally advertised**.

- Creating a **Service Director for Community Connections** which will replace the current Head of Service role. This post will initially be **ringfenced to the current Head of Community Connections**.
- Updating the title “Assistant Director” to “Service Director”.
- Aligning Electoral Services with the Executive Office and making the necessary amendments to the role profiles of Assistant Chief Executive and Head of Legal Services.
- Deleting 3 vacant posts currently on the Chief Officer Structure which are no longer required and which have no budget attached.
- The Plymouth operating model is for place based integrated commissioning for health and wellbeing for all Plymouth citizens. The Strategic Director for People will lead on this work in conjunction with the DCS and the Director of Public Health to deliver this.

Where roles are changed/created, the role profiles will be consulted on and salaries will be established following an independent job evaluation process (Hay).

## **6. FINANCIAL INFORMATION**

It is envisaged that a number of joint funding arrangements provide the financial capacity for proposed new roles without the need for further funding of senior management posts.

## **7. COUNCIL PROCEDURE**

The power to appoint staff and determine the terms and conditions on which they hold office, including procedures for their dismissal, is a non-executive function. As Head of Paid Service, the Chief Executive is required to report to Full Council on the Chief Officer structure of the Council. Additionally, to enable appointments to any new positions and the dismissal of chief officers (NB none are proposed in this report) the Council is required to constitute an Appointments Panel. It is then the duty of a relevant authority to consider any report under this section by the Head of Paid Service at a meeting held not more than three months after copies of the report are first sent to members of the authority.

The Appointments Panel will be established to consider any further responses from the consultation carried out with CMT / SMT / Senior Managers, to approve the roles of the new structure, agree how the roles will be selected, make appointments to roles as appropriate, and where necessary this Panel will also agree the dismissal of any Chief Officer by virtue of redundancy.

The Appointments Panel will comprise of seven Councillors and the basis of proportionality to include at least one member of the Cabinet. Substitutes to the Appointments Panel are permitted.

There are no proposed redundancies as part of this organisational design. However there is the scope within established Council procedures to refer appeals from Chief Officers arising from their selection for redundancy to an Appeal Panel. The Appeal Panel will hear and consider any appeals against redundancy and make a final decision on this matter.

Subject to Council agreeing this approach, further individual consultation will take place with directly affected Chief Officers to ensure they are fully informed of the proposed next steps and have the opportunity to raise any further comments or questions. Trade Union colleagues will also be updated. Support and advice continues to be available to those affected.

## 7. TIMETABLE

16 Jan 18	End of initial consultation process and comments reviewed.
By 19 Jan 18	Consultation comments will have been reviewed and considered. An update is provided to those in scope. Initial information is provided to those in scope around proposed recruitment processes, ring fences pending outcome of Full Council.
29 Jan 18	FULL COUNCIL - Proposal submitted by report to Full Council outlining proposed changes, processes and existing and proposed structures.
From 30 Jan 18	Those in scope are updated on the outcome of Full Council.
27 Feb 18	COAP convened to commence implementation of activities arising from Full Council report.
23 Mar 18	COAP
1 April 18	By this date anticipate all processes in Phase I are complete and changes implemented.
27 Apr 18	COAP

The implementation date reflects that, where possible, changes will be implemented by 1 April 2018 or as soon as is reasonably practicable.

## 9. STATUTORY ROLES AND CONSTITUTIONAL AMENDMENTS

The changes described above will result in changes to the following statutory roles as below, other designations remain as currently outlined within the Council Constitution.

	Current designation	New designation
Section 151 Officer	Assistant Director for Finance	Service Director for Finance
Director of Children's Services **	Strategic Director of People	Director of Children's Services
Chief Education Officer	Strategic Director of People	Director of Children's Services

The Council's Constitution will need to be amended to reflect these changes to designations and to update the list of statutory Chief Officers of the Council. \*\*It is proposed to update the DCS Assurance test in respect of the new arrangements; this will be implemented via Audit Committee.

## **10. RECOMMENDATIONS**

It is recommended that:

- 1) Council approve the proposals for changes to the Corporate Management Team and Senior Management Team.
- 2) Note the outline timetable implementing the changes to Chief Officer positions.
- 3) Council establish an Appointments Panel with delegated authority to consider any further responses from any collective and individual consultation undertaken; approve the role profiles of the new positions; agree how the roles will be selected and make appointments to roles as appropriate.
- 4) The Council's constitution is amended to reflect the changes to the Chief Officer structure and any changes to the designation or operation of Statutory Roles.

REPORT ENDS.