

TITLE OF REPORT: Senior Management Restructure

REPORT OF: Sheena Ramsey, Chief Executive

Purpose of the Report

1. To seek Cabinet agreement to a revised senior management staffing structure which will reflect a more effective way of working across Council services, and to recommend it for approval to full Council.

Background

2. It is important in any organisation to ensure that its senior management structure is kept under review. This is increasingly important in local government to ensure that the services we deliver accurately reflect the changing operating context, and the priorities that drive the organisation. This is essential if we want to respond effectively to national and local policy and most importantly to the changing needs of the people of Gateshead.
3. Councillors have made it clear that there needs to be a far greater and much more robust focus on housing, investment in economic growth, strong and healthy communities, together with a heightened need to address the climate emergency, clean air and sustainable transport issues we face. These proposals reflect that objective.

Proposal

4. It is proposed that the Council's functions are delivered through the following service groups:
 - Office of the Chief Executive
 - Children, Adults and Families
 - Corporate Services and Governance
 - Resources and Digital
 - Housing, Environment and Healthy Communities
 - Economy, Innovation and Growth
 - Public Health and Wellbeing
5. Whilst these proposals set out a staffing structure for the Council, it is critical that the culture of **how we work** reinforces the commitment for functions to work together to facilitate outcomes, rather than the structure of the Council influencing how services are delivered.

6. Appendix 2 provides further detail on the proposed senior management framework. The original proposals have been subject to consultation with trade unions and employees and have been amended to reflect changes as an outcome of the responses raised.
7. All role profiles have been updated to reflect the proposed structure and are being evaluated using the LGA Senior Management Job Evaluation scheme.
8. It is also proposed that the terms and conditions of employment for Chief Officers are amended to:
 - require Chief Officers to participate in corporate activities, as required, to support the Council in its risk and resilience management, including a requirement to undertake relevant training and exercising, and take part in an out of hours strategic emergency response team rota;
 - exclude Strategic and Service Directors from participation in the Council's flexitime scheme;
 - require all Service Directors to work across any service, group or area within the Council, as required. In this regard all role profiles include generic transferrable responsibilities as well as detail on individual professional responsibilities; and
 - exclude Chief Officers from receiving pay protection in the future, if roles are re-evaluated but remain in the Chief Officer pay grade. Having considered the responses to consultation, it is proposed that current pay protection arrangements are honoured in relation to this restructure, but will not apply in the future.

Recommendations

9. That Cabinet recommends to Council to:
 - (i) Approve the organisation structure as detailed in Appendix 2 to this report for implementation from 1st November 2019 although transitional arrangements will need to apply whilst vacant posts are being recruited to.
 - (ii) Authorise the Chief Executive to approve the final salary grades of Strategic and Service Directors, within the Council's current pay policy framework and grading structure, taking into consideration advice from the LGA, following the application of the LGA job evaluation scheme.
 - (iii) Approve changes to the Chief Officer terms and conditions of employment as detailed in paragraph 8 above.
 - (iv) Authorise the Strategic Director, Corporate Services and Governance, following consultation with the Leader of the Council, to agree any changes to the Council's Constitution as deemed necessary as a consequence of the changes so approved.
 - (v) Approve the requests for voluntary redundancy of three current Service Directors whose posts are proposed to be deleted from the staffing establishment.

for the following reason

- (i) To enable continued improvement in the co-ordination of Council functions, the organisation of its employees, and to enable Council services to focus on delivery of the Thrive agenda in a more efficient and effective way, embracing the Public Service Reform principles.

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APPENDIX 1

Policy Context

1. The revised staffing structure and alignment of services resulting from these proposals will support the delivery of the Council's Thrive agenda and in the implementation of the Council's priorities.

Background

2. It is important in any organisation to ensure that its senior management structure is kept under review. This is increasingly important in local government to ensure that the services we deliver accurately reflect the changing operating context, and the priorities that drive the organisation. This is essential if we want to respond effectively to national and local policy and most importantly to the changing needs of the people of Gateshead.
3. Councillors have made it clear that there needs to be a far greater and much more robust focus on housing, investment in economic growth, strong and healthy communities, together with a heightened need to address the climate emergency, clean air and sustainable transport issues we face. These proposals are a direct response to that objective.
4. Leadership Team must operate as a single entity without unnecessary silos and hierarchy. Activities need to be more effectively prioritised and appropriate decisions made quickly, by the right people at the right level within the organisation. We need to become more agile and flexible if we are going to prioritise and use our resources effectively, work at pace and deliver the Thrive agenda, alongside our partners. This requires significant culture change in the organisation and a stronger and clearer set of objectives and accountabilities, particularly at the most senior management level.
5. We also need to ensure that the Leadership Team is one that embraces change, understands why change is necessary, is adaptive in the way it operates, has the correct range of skills required, and is formed by individuals who possess the energy and enthusiasm to deliver against the organisational priorities.
6. Whilst there needs to be a staffing structure to ensure there are accountabilities in place, which allow us to operate within the Council's constitution and to deal with the management of 'pay and rations', how we organise ourselves must be more flexible and focussed around delivering the Thrive agenda. Joined up delivery of better outcomes is essential, and this can only be achieved by using the limited resources that we have in a flexible way and achieving a sustainable budget position as quickly as possible.
7. The Thrive agenda serves as our main driver, with the five pledges focussing our organisational efforts:
 - Putting people and families at the heart of everything we do
 - Tackling inequality so people have a fair chance
 - Supporting our communities to support themselves and each other

- Investing in our economy to provide sustainable opportunities for employment, innovation and growth across the borough
 - Working together and fight for a better future for Gateshead
8. The intention of this review is to simplify the structure of the organisation and enable more streamlined and cross-cutting working which is outcome focussed, accountable and transparent. A flexible staffing structure, alongside agile working principles, will require a change to our culture which will focus on outcomes rather than hierarchy or structures.
 9. Whilst financial drivers partly motivate the review its primary purpose is to develop new ways of working that reduce bureaucracy and waste, increase skills across the organisation and which improve both the resident and the employee experience of the Council. It is essential that the right resource and capacity is invested in the right areas of the organisation to respond to corporate priorities.
 10. Fundamentally the intention is to work in a more cross-cutting and multi-agency way through genuine collaboration within the Council and with our partners. Much of this requires a different mind-set and culture alongside clarity of purpose and accountability. To this end, whilst there will continue to be a clear staffing structure, the expectation of Leadership Team is that they will be involved in the management of a range of functions to deliver priorities. Cross-council working will be included in all senior management job profiles to ensure we can respond quickly to changing needs and demands, and the introduction of shared appraisal and development (A&D) objectives will contribute to this.
 11. The Council's Medium-Term Financial Strategy (MTFS) will remain the focus for achieving and maintain financial sustainability in the current challenging context and will align to the Public Service Reform principles. All services will contribute to delivery of the MTFS directly and indirectly.
 12. A review of the Council's Management Agreement and the role of The Gateshead Housing Company (TGHC) will commence shortly with a view to ensuring optimum use of resources and effective and sustainable outcomes for Gateshead residents and tenants. This will be subject to a different engagement and consultation process and will report back to Cabinet in due course.
 13. The Council must continue to deliver its statutory functions and ensure that appropriate governance is in place, including taking a proportionate approach to managing risk.

Main Changes

14. The main changes are:
 - The separation of functions that currently reside within Communities and Environment and to create two new groups of activities. The first group will focus on housing, environment and healthy communities. Importantly, linked to this group of services will be the operational functions of street scene, environment, public protection and neighbourhood services which are very much at the heart of councillors and residents' concerns.

- The second set of functions will be focussed on the economic growth and innovation agenda; bringing new businesses and employment opportunities to Gateshead, improving support to existing businesses and securing access to more and better paid jobs, through training, upskilling and partnership working. This area will also include planning and the strategic transport function, together with our focussed work on climate change and energy. Essentially forming the 'place shaping' role.
- Following a successful Ofsted inspection which required a high degree of input from the Strategic Director of Care, Wellbeing and Learning (CWL), a new deputy strategic director post has been established within the newly titled group of Children, Adults and Families. This role will be responsible for children's social care to ensure that there is sufficient emphasis on transforming services in response to the significant financial pressures the council faces in this area, and to achieve our ambition to become an outstanding children's social care provider.
- The Corporate Resources Group has been re-named Resources and Digital, where there will be a greater emphasis on linking expenditure with corporate priorities and outcomes, and co-ordinating financial management with performance management, as well as a focus on improving customer experience and access to digital services to ensure the most effective use of the Gateshead pound for Gateshead people.

Implementation and Transition

15. It is proposed that those changes which can be implemented on 1 November 2019 become effective on that date, unless a later implementation date is agreed by the Chief Executive. It may be necessary to support the effective transition of functions, and to take account of recruitment timescales, to agree staggered leaving dates for those employees who will be identified as redundant as an outcome of the implementation of a new staffing structure. Leaving dates will be agreed by the relevant Strategic Director.

Consultation

16. Trade unions have been consulted on these proposals in accordance with the Council's policy and relevant legislation. All employees were also invited to comment on the proposals. A number of responses were received which have been carefully considered by Corporate Management Team. Many of the responses provided detailed information about specific service deliver issues which will be considered further when proposals are developed further to implement structures below the Service Director level. Responses also provided valuable insight into the how employees feel services could be delivered more effectively and to that end, several amendments have been made to the original proposals, including:
 - a. Change of group name from Public Health to Public Health and Wellbeing.
 - b. Change of group name from Children, People and Families to Children, Adults and Families.
 - c. Responsibility for Community Safety will lie within Public Health and Wellbeing
 - d. Retention of research and intelligence functions within the Office of the Chief Executive.
 - e. Responsibility for delivery of events to transfer to Public Health and Wellbeing, with strategic events being retained in Resources and Digital.

- f. Service Director, Housing and Commercial Services renamed to Service Director, Housing, Compliance and Traded Services.
- g. Service Director, Major Projects & Corporate Property reference as lead as GRP and SCAPE deleted as this will be covered by the Strategic Director for Economy, Innovation and Growth. Also, removal of reference to commissioning of the Council's capital programme.
- h. A number of functions originally proposed to be allocated to the Housing, Environment and Healthy Communities group be moved to the Economy, Innovation and Growth group e.g. land related functions, planning and highway management, private sector housing.

17. Councillors have also been consulted on the proposals. The outcome of those meetings has been very positive and supportive of the proposals as put forward.

Alternative Options

18. The proposals put forward by the Chief Executive are the optimum response to the demands placed on the Council, as set out above. No specific alternative structure is therefore recommended for consideration alongside the proposals. While one alternative option would be to make no change to the current structure of the Council, this would not make the positive contribution toward achieving the aims as set out above.

Implications of Recommended Option

19. Resources:

- a) **Financial Implications** – The Strategic Director of Resources estimates that there is likely to be a modest saving associated with the proposals. This is based on indicative salary grades which may change following the final outcome of the application of the LGA job evaluation scheme to role profiles. The overall aim of the revised staffing structure is not to facilitate budget savings but rather to improve service delivery and focus on priorities and outcomes. However, further savings may be facilitated from future service reviews which consider the staffing structure below that of Service Director.
- b) **Human Resources Implications** – The human resource implications arise from the changes to the role profiles of some senior management posts and the introduction of some new posts (see structure diagram at Appendix 2). These proposals will result in an overall decrease of 1fte post at Service Director grade. However, due to the reconfiguration of services and the intention to advertise some roles externally to ensure the Council has the critical skills required for new roles 6fte posts are proposed as redundant (two are currently vacant):
 - Service Director, Early Help
 - Service Director, Social Work - Children and Families
 - Deputy Strategic Director, Corporate Finance
 - Service Director, Customer and Financial Services
 - Service Director, Street Scene (vacant)
 - Service Director, Commissioning and Business Support (vacant)

Three of these will be resolved by voluntary means, however, should the remaining employee apply for one of the new roles and is unsuccessful; and, should suitable alternative employment not be available, then one employee will be deemed to be compulsory redundant.

c) Property Implications - there are no property implications arising directly from this report.

- 20. Risk Management Implications** - there are no risk management implications arising directly from this report.
- 21. Equality and Diversity Implications** – there are no direct equality and diversity implications arising from this report.
- 22. Crime and Disorder Implications** – there are no crime and disorder implications arising directly from this report.
- 23. Health Implications** – the restructure seeks to support the delivery of corporate priorities as set out in Making Gateshead a Place where everyone thrives, and those as set out in the Director of Public Health’s annual report.
- 24. Sustainability Implications** - the proposed structure better aligns services with environmental considerations and service delivery. It therefore better supports the Council’s work in mitigating its impact on the environment and delivery of the council’s response to the declaration of a Climate Emergency.
- 25. Human Rights Implications** - there are no human rights implications arising from this report.
- 26. Area and Ward Implications** - there are no area and ward implications arising from this report.

Background Information

- 27.** Appendix 3 details the proposed responsibilities of the revised service groupings. Copies of the full suite of consultation documents are available on the Council’s intranet site: [Senior-management-restructure-consultation](#)