

MANAGEMENT REVIEW

Relevant Portfolio Holder	Cllr Matt Dormer
Portfolio Holder Consulted	Yes
Relevant Head of Service	Kevin Dicks
Ward(s) Affected	All
Ward Councillor(s) Consulted	N/A
Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 This report outlines the proposals with regard to the restructuring of the Single Management Team that serves both Redditch and Bromsgrove Councils. These proposals would be the subject of consultation with the directly affected staff (Directors and Heads of Service), recognised trade unions and the staff within the service areas where the Head of Service is proposed to be changed.

2. RECOMMENDATIONS

- 2.1 That Executive recommends to Council the proposed changes to the Single Management Structure attached at Appendix C and recommend it for formal consultation with the affected staff and trade unions.

3. KEY ISSUES

Financial Implications

- 3.1 The single management team structure to serve Bromsgrove and Redditch Councils was created in 2009 (attached at Appendix A) and recruited to in 2010. This incorporated:
- 1 Chief Executive
 - 3 Executive Directors
 - 1 Director
 - 10 Heads of Service
- 3.2 The full year savings at that stage from just the Corporate Management Team (CMT) management posts was £458,000 per annum. This was split approximately £246,000 to Bromsgrove District Council (BDC) and £212,000 to Redditch Borough Council (RBC). This excluded any severance costs.
- 3.3 Since 2010 there have been a number of changes to the management structure which have occurred for a variety of reasons. The current structure is attached at Appendix B and comprises:
- 1 Chief Executive

- 2 Executive Directors
 - 1 designated Deputy Chief Executive
 - 1 designated Section 151 Officer
- 8 Heads of Service (this excludes the post of Head of Worcestershire Regulatory Services (WRS) and Head of North Worcestershire Economic Development and Regeneration).

It should be noted that 3 of the Head of Service posts are currently vacant. Whilst the Head of Housing Services remains in the structure the budget provision has been removed.

3.4 It was envisaged within the Efficiency Strategy that had to be submitted in late 2016 (to secure a 3 year settlement) that a Management restructure would be undertaken to deliver financial savings. The estimated amount of savings was £270,000 (split equally between the 2 councils). It should be noted that this wasn't just to be delivered from the CMT level but from management posts across the 2 organisations. Savings have been made towards this amount but further savings have been factored in to the Medium Term Financial Plan.

3.5 The management restructuring has been delayed for a number of HR related issues:

- Housing issues at RBC which required a review of Heads of Service responsibilities
- Creation of Rubicon Leisure at RBC and the subsequent appointment of the Council's Head of Leisure and Cultural Services to the MD position
- The ill health retirement of the Head of Customer Access and Financial Services

The management restructuring delay was agreed with the respective leaders.

3.6 All the posts that are proposed to be changed (i.e., all Heads of Service) would need to be subject to Job Evaluation (JE). All posts are based upon a proportion of the Chief Executives salary. At this stage it has been assumed that there is no increase in salary for any of the posts. With regard to the Head of Financial Services the grade for this post has been assumed as having parity with the rest of the Heads of Service.

3.7 If members were to agree the restructuring proposals (subject to consultation) the savings in 2020/21 would be £196,920 split as follows (subject to the results of Job Evaluation):

BDC	£54,221
RBC GF	£54,221

RBC HRA £88,478

- 3.8 This includes deletion of the Head of Housing Services post although this has already been deleted from the budgets. If you were to compare it to the original cost of the 2 management teams prior to the creation of the single management team (not including pay inflation) there is an annual saving of approximately £1.06m per annum.

Legal Implications

- 3.9 There are numerous employment law obligations placed upon both Council's as individual employers when considering the restructure of a management team, specifically where this may result in redundancies. The proposals contained within this report do not envisage any redundancies and as such the risks should be minimised.

Service / Operational Implications

- 3.10 As with any management restructure proposals there are a variety of options available to members however the very clear steer that has been given from Leaders is that neither consider the senior leadership and management arrangements requiring much change and indeed any changes should be "light touch" and essentially looking to formalise what is now in place.
- 3.11 Part of the reasoning for this is that a major management restructuring at this time could derail much of the good work that is being undertaken and in addition Redditch need to focus on developing and delivering a robust medium term financial strategy as a result of being served with the Section 24 notice.
- 3.12 Notwithstanding the above formal consideration and due regard has been given to where there are considered to be gaps within the Management Team (in terms of skillset or capacity) in delivering the strategic purposes and priorities of both Councils. These are detailed below:

Commercialism

- We have a Commercialism Strategy in place (across both Councils – which we are currently reviewing) and have delivered some additional income from our service areas however it is acknowledged that we need to do more in order to become more self sufficient. There are 2 main facets of commercialism (over and above making the Councils more efficient which we are continuing to pursue through our transformation programme – this particular element is being led by the Head of Service – Business Transformation and Organisational Development):

- Acquisition and Investments Strategy – we need to be more proactive in terms of identifying property (and other investment opportunities) and then evaluating whether they represent good value for money. We are currently looking to address this with external support.
- Commercialising the business and generating more income – this is being lead by the Head of Service – Environmental & Housing Property Services and we have commissioned external support through a company called Black Radley who will help and support us to become more commercial, identify market opportunities and generate more income. This will build on our Transformation Programme.
- It is considered that the whole of the Management Team and indeed all service areas need to be more Commercial. The value of appointing someone specifically to lead on Commercialism is therefore diminished. CMT will, as a team, take over the leadership of the Commercialism agenda (from the Commercialism Programme Board) with the support of Black Radley, and external support around property acquisitions will enable us to be more focussed and deliver more income.

Development projects

- There are a significant number of development projects that are being considered (at this stage primarily within Redditch) which we will need to ensure all services and teams are bought into and play their full part in delivering. A Redditch and Bromsgrove Regeneration Board has been formed and chaired by the Chief Executive which seeks to achieve coordinated effort and delivery. Whilst NWEDR will play a lead role in this it is considered that neither they, or indeed CMT, have the skill set or capacity to oversee the Management / Implementation of these developments in the delivery of multi million pound regeneration schemes (including Town Centre and District Centres). Whilst this could potentially be incorporated within the CMT by undertaking this in conjunction with partners, and fund this from the investment programme or the Towns Fund would be more advantageous moving forward.

Financial Services

- The Councils took the decision some time ago to delete the role of Head of Financial Services and create the role of Head of Customer Access and Financial Support with the Financial Services Manager reporting directly to the Executive Director. Whilst it was considered the correct decision at the time this has increasingly resulted in the Executive Director (Finance and Corporate Resources) being drawn into vast levels of operational detail. It is therefore proposed that a Head of Financial Services with an extended remit is added back into the structure. This would enable the

Executive Director (Section 151 Officer) to focus more on financial strategy and leadership of strategic purposes. It is also believed that having a Head of Financial Services, with the right skill set, would complement the existing skill set of the other members of CMT and be a further force for change.

Proposed changes

- 3.13 Attached at Appendix C is the proposed new structure – this is very much based upon adjusting the current structure and adding service areas to people’s areas of responsibility rather than a fundamental review. Service area alignment has been achieved as much as possible, however given the capacity issues a balance of levels of responsibilities and workloads are being proposed. It should be noted that it is not unusual when operating at a senior management level that Heads of Service have responsibility for a diverse set of service areas.
- 3.14 Unless highlighted in ***bold italics*** on Appendix C officers portfolio of responsibilities have remained the same. In summary the proposed changes are as follows:
- Head of Service – Legal, Democratic & Property Services (Monitoring Officer). The current postholder has taken over responsibility for Property Services in Redditch following the transfer of services back to the Council from Place Partnership given the linkages with the legal function. It is proposed to formalise this arrangement as a result of the proposed management restructuring. It is also proposed that facilities management be incorporated within this Head of Service area of responsibility given the obvious linkage with property. This would be for both councils (responsibility was previously split between different areas). Responsibility for Business Development (previously under Leisure and Cultural Services) would also be included.
 - Head of Service – Financial and Customer Services. As referred to above, the creation of a Head of Financial and Customer Services who, in addition to being responsible for Financial Management, would also be responsible for Revenues and Benefits is recommended. The proposal is that this post would also be responsible for all facets of Customer Services. This would enable alignment with revenues and benefits and ensure the post has a wider operational remit.
 - Head of Service – Environmental & Housing Property Services. The current postholder has taken over responsibility for Capital Improvements and Repairs and Maintenance following the issues relating to Housing Services in Redditch. The continuation of this arrangement is proposed

given the alignment between the “operational services” for both housing property and environmental services.

- Head of Service –Community and Housing Services. The current postholder has taken over responsibility for the following services as a result of the issues relating to Housing Services in Redditch:
 - Homelessness
 - Housing Options/Choice Based Lettings
 - Housing Performance and Database
 - Right to Buy
 - St David’s House Extra Care Housing
 - Tenancy Management

The continuation of this arrangement as a result of the proposed management restructuring is proposed to achieve alignment of Housing Strategy, housing tenancy and community services.

- Head of Service – Planning, Regeneration and Leisure Services. Following the creation of Rubicon Leisure we currently have interim arrangements in place to cover the remaining functions for Leisure and Cultural Services:
 - Development Services (Sports and Arts Development)
 - Parks and Events
 - Business Development
 - Facilities Management

It is proposed to add these areas (with the exception of Facilities Management and Business Development) to this Head of Service responsibilities. Whilst these services may not seem naturally aligned there are synergies between the strategic role with regard to Leisure and Cultural Services (following the creation of Rubicon Leisure) and Strategic Planning. This is increasingly crucial in the “place making role”. This also achieves a breadth of workloads / responsibilities across all Heads of Service to bring a better and more cohesive balance across the CMT.

Additionally it is proposed that the Head of NWEDR reports directly to the Head of Service rather than directly to the Chief Executive as previously. This is not to say that the Chief Executive will not continue to have a very proactive role with regard to Economic Development and Regeneration (retained in the the relevant strategic purposes delivery) however this will enable the Head of Service to have greater responsibility and accountability for this area.

3.15 The councils have endorsed slightly different strategic purposes and priorities and whilst there are no proposed changes to the roles of Executive Directors, the Strategic Purposes can't be achieved by one department on their own. The Councils will therefore continue to adopt a matrix management approach in order to ensure co-ordinated delivery. The Strategic Purposes are below (together with the lead director):

- Redditch Strategic Purposes
 - Run and grow successful business (Chief Executive)
 - Finding somewhere to live (Deputy Chief Executive)
 - Aspiration, work & financial independence (Executive Director – Section 151 Officer)
 - Living independent, active & healthy lives (Executive Director – Section 151 Officer)
 - Communities which are safe, well maintained & green (Deputy Chief Executive)

- Bromsgrove Strategic Purposes
 - Run and grow a successful business (Chief Executive)
 - Work and financial independence (Executive Director – Section 151 Officer)
 - Living independent, active & healthy lives (Executive Director – Section 151 Officer)
 - Affordable and sustainable homes (Deputy Chief Executive)
 - Communities which are safe, well maintained and green (Deputy Chief Executive)

In addition to both Council's Strategic Purposes there is also responsibility for ensuring the enabling services for both councils are fit for purpose and this will be discharged by the Strategic Management Team (SMT) – Chief Executive, Deputy Chief Executive and Executive Director as a collective.

3.16 The continuation of 2 Executive Directors is considered important as they provide (alongside the Chief Executive) the strategic direction, from an officer perspective, to the 2 Councils and the services they provide. They are also, by working in a matrix management arrangement, best placed to co-ordinate and direct services to most effectively achieve strategic purposes. This includes working in partnership with other organisations.

3.17 This proposal is very much about "tweaking" what is currently in place to ensure strategic and operational delivery alongside the delivery of financial savings. It is not believed to be achievable to reduce the structure further whilst both councils still continue to provide the multitude of services that they do. If members require a more radical restructure options this could risk destabilising both organisations

at a crucial time. Another option should members wish to explore this would be to commission some external support to develop a completely new structure, incorporating the next tier of 4th / 5th tier managers.

- 3.18 If members are to agree the restructure proposals contained within this report subject to formal consultation the Heads of Service will be asked to critically review the 4th / 5th tier levels across the organisations to ensure that the configuration of services assists with the effective delivery of the strategic purposes of both councils.

Customer / Equalities and Diversity Implications

- 3.19 No immediate direct impact on the Customer arising from this report, although indirectly the intention of each area is to deliver further efficiencies/savings or improve service quality to the ultimate benefit of the customer.

4. RISK MANAGEMENT

- 4.1 The risks identified, which the restructuring proposals seek to address, include:
- Continuation of informal arrangements – restructure provides formal role clarity
 - Lack of support for recommendations / future actions – inability to deliver against strategic purposes.
 - Managing the impact of national / regional changes – financial, social, economic or environmental at a strategic and operational levels.

5. APPENDICES

Appendix A - original management structure when the Single Management Team for BDC / RBC was created

Appendix B - current Single Management Team for BDC / RBC

Appendix C – proposed Single Management Team for BDC / RBC

6. BACKGROUND PAPERS

Previous Shared Services and Single Management Team reports

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