

Somerset West and Taunton Council

Council – 30 July 2019

Structural Change Senior Leadership Team

This matter is the responsibility of Leader of the Council Federica Smith-Roberts

Report Author: James Hassett, Chief Executive

1 Executive Summary

- 1.1 The newly formed Somerset West and Taunton Council has set ambitious strategic targets and clear corporate priorities. The transformation programme has already put in place some of the arrangements necessary to deliver savings and improved customer care. However, to drive the organisation at pace towards these goals while continuing to work towards exceptional levels of service excellence a new senior leadership structure is required. It is vital to ensure the leadership of the Council is matched to its wider commercial, economic, community and environmental priorities.
- 1.2 The proposed structure contained in this report more accurately aligns to our corporate ambitions whilst providing a strong position to increase the overall financial health of the authority and deliver further savings.
- 1.3 This report sets out a proposed structural change to the Senior Leadership Team, a process to recruit and a financial recommendation and seeks the approval of the Executive prior to consideration by Full Council.

2 Recommendations

- 2.1 Full Council resolves to;
- 2.2 Approve the additional budget of £94k for 2019/20:
 - General Fund: £50k from the CEO Earmarked Reserve and £18k from the Business Rates Retention Funding.
 - Housing Revenue Account: £26k from general balances.
- 2.3 Note the full year costs of £254k (GF: £183k; HRA: £71k) and;
- 2.4 Resolve that this be built into the Councils Medium Term Financial Plan/HRA Business Plan for 2020/21 onwards.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
Risk: Organisational disruption to staff and loss of morale	3	4	12
<i>Mitigation: Heads of Function and People Managers to ensure communication and role clarity is maintained</i>	2	3	6
Risk: Unable to recruit all roles	3	4	12
<i>Mitigation: Robust recruitment strategy supported by Executive recruitment partners</i>	1	3	3

Risk Scoring Matrix

Likelihood	5	Very Likely	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Feasible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Slight	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Very Unlikely	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			Impact				

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at some time	25 – 50%

4 Background and Full details of the Report

- 4.1 The Council has been through significant transformation and organisational restructure. In February 2018 we began a 30 day consultation period for a new operating model for the way our roles and structures operated. This also included proposals for a Heads of Function focussed on 6 functional areas. An organisational wide recruitment and selection process began in April 2018 recruiting in six Heads of Function (HOF) who then proceeded to shape and recruit into their respective functional areas.
- 4.2 It was acknowledged that senior management team requirements would be considered after the creation of the new Somerset West and Taunton Council.
- 4.3 Following the recruitment of Heads of Function the remaining management team comprised of a Director of Operations (Deputy Chief Executive), Monitoring Officer and Strategic Finance Advisor/Section 151 officer shared with South Somerset District Council.

- 4.4 In September 2018 recruitment for a Chief Executive to serve the new Council began and as reported to the Somerset West and Taunton Shadow Council 10 September 2018 the requirements for the leadership team would be left to the consideration of the Chief Executive following their appointment. This recruitment was supported by the LGA (Local Government Association) and amongst their conclusions was the need to recruit the Chief Executive early which would enable them to consider senior leadership team requirements as soon as possible.
- 4.5 A new Chief Executive started 2 January 2019 and has had time to review organisational requirements and priorities. This has identified the need to focus and structure delivery against four key areas – Housing, our ambitions for growth, income generation and to maximise the benefit drivers from the transformation programme. It has also been recognised we need to increase our capacity in the areas of economic development, strategic partnerships and Climate Change.
- 4.6 Increased strategic focus and drive of these areas will enable us to:-
- 4.7 Plan for, deliver and secure external funding for growth in terms of our place, our social and economic ambitions
- 4.8 Focus on securing and supporting our existing partnerships and encourage further inward investment and delivery of enhancements to our towns and coastal areas
- 4.9 Ensure our external operations of the DLO, Crematorium and Deane Helpline deliver quality services and move to a position of financials sustainability and increased revenue to invest back into our provision of services
- 4.10 Seek to address levels of inequality in our communities both social and economic through supporting the delivery of affordable housing and development of our existing housing stock and services.
- 4.11 Play a strategic and key role in leading climate change programmes and initiatives to reduce the organisations environmental impact, achieve carbon neutrality and minimise the environmental footprint of Somerset West and Taunton (place) on the wider planet.
- 4.12 Ensure that the governance and stewardship of the organisation operates in an effective and agile way to ensure we are able to respond to business needs.
- 4.13 Ensure that we are taking a solution focussed approach to our service delivery whilst maximising every opportunity to improve and transform our services so they are future proof and providing maximum value for money.

5 The Proposal for the Director Roles

- 5.1 It is proposed that four Directors, reporting directly to the Chief Executive, are put in place providing a focus on key delivery areas of: Housing, our internal capability to future proof services, our external delivery to customers and our development of place and external investment. The Directors will be accountable for leading the corporate direction of the Council through strategic leadership, taking the principal role in the development of a clear strategy and priorities to achieve investment, excellence in service delivery through sustainable process development and revenue generation. A

structure chart with associated functional areas under each Director is attached in Appendix A

5.2 The proposed Directors and high level overview of accountability :

Director of Housing: Strategic oversight across all of our housing functions to ensure that this priority area for the Council is represented and focussed to provide the community have a lean focussed customer centric housing provision across the whole of Somerset West and Taunton

Director of Internal Operations: Following and extensive period of change and disruption to provide strategic vision and drive to deliver excellence, efficiency through channel shift and new working practices for our communities. Developing our internal capability to drive performance and become the engine room of our Council that is efficient and agile in its working practices

Director of External Operations: Strategic vision and drive to create a commercial customer focused five star rated external operations function. To also drive our strategic aspirations around waste, maximise income benefit realised to deliver services back into the council.

Director Development and Place: Strategic oversight and development of our large scale mixed used developments. Working with government agencies providing an emphasis and clear vision for all major projects in the Somerset West and Taunton area. Driving the economic development agenda, climate change and shaping of place. This role will be key to working strategically and across our partnership in attracting external investment and long term development opportunities.

- 5.3 Each Director will need to operate within the MTTFP and a number of them will be challenged to bring in additional income.
- 5.4 The Heads of Function role will continue to play a key role to maintain continuity in service delivery. Ensuring that the goals of our new operating model are delivered and continue to provide management and collaboration of services to deliver the councils ambitions across the functional areas.
- 5.5 The Deputy Chief Executive role was maintained in the structure to ensure continuity during transition this position is no longer required.
- 5.6 The Monitoring Officer Role will continue to be held in the existing position within the structure.
- 5.7 The S151 Officer will continue to remain as held in the existing position within the structure
- 5.8 Two vacancies of Case Manager - Executive Assistant and Funding Manager will not be filled as these activities are being covered by other roles in the structure
- 5.9 Implications for staff below Head of Function level will be that existing structures will move with their current Head of Function under the Director as indicated in Appendix A. At this stage this is a broad/indicative picture and where there are services and Heads of Function roles that could sit across two Director areas this will be agreed once Directors are in post.
- 5.10 To deliver the scale and ambition required these roles will be operating at a very senior executive level. This has required us to look beyond the traditional pool and to attract the calibre of candidate required and the salaries for these posts will be £100,000 on a fixed point scale.

6 Costs and Funding

- 6.1 The incremental full year costs of the four proposed Director posts after taking into account the removal of 3 other posts within the structure (Deputy Chief Executive, Executive Assistant and Funding Manager) is £254k (GF: £183k; HRA: £71k) per annum (based upon 2019/20 salaries). These costs will be built into the Medium Term Financial Plan and HRA Business Plan for the Council for 2020/21 onwards.
- 6.2 The Deputy Chief Executive redundancy will be funded from the existing funds.
- 6.3 The impact upon the salary budgets for 2019/20 is £19k and costs of recruitment are estimated to be up to £75k. Therefore the total additional costs in 19/20 are £94k. It is recommend that this is funded by £26k from HRA general balances, £50k from the GF CEO earmarked reserve and £18k from the business rate pooling gain from 18/19 which is within the Business Rate Smoothing Earmarked Reserve.

7 HR Implications & Process

- 7.1 The process for the recruitment of these posts is set out in the Councils Constitution, Officer Employment Procedure Rules which is as follows:

Appointment to Other Senior Officer Posts (including the Section 151 Officer and Monitoring Officer)

An appointment panel will be appointed by the Proper Officer.

The appointment panel shall include:-

- (a) The Chair or Vice Chair of the Scrutiny Committee or the Chair or Vice Chair of a Regulatory Committee;
- (b) The Leader and one Member of the Executive

The Chief Executive to make the appointment having consulted the members of the panel.

In the case of the S151 Officer and Monitoring Officer, Full Council will confirm their appointment.

- 7.2 For the purposes of transparency and fairness an external recruitment exercise will be undertaken. This will ensure that the council has every opportunity to seek and test for the very best calibre candidate for what are key senior leadership roles for the Council

8 Consultation

- 8.1 UNISON have been kept informed of the proposals in this report by the Chief Executive and provided with a copy of this report.
- 8.2 Comments received from UNISON have been provided in this report in Appendix B
- 8.3 In accordance with our own policies and procedures consultation on these proposals have taken place with the directly affected staff

9 Recruitment Process and Timetable

- 9.1 It is proposed that we utilise an external recruitment agency. We have had success using this approach to recruit two of our current Heads of Function and the current Chief Executive.
- 9.2 To ensure we are able to meet the earliest time scales we are currently undertaking a procurement process to ensure we select an Executive recruitment agency that will provide best value in terms of quality, approach and cost.
- 9.3 Estimated costs for recruitment are up to £75,000. This includes executive search agency fees for all four roles, appropriate psychometric evaluations appropriate to the level of role, venue and ancillary costs
- 9.4 An indicative timetable at this stage for the recruitment process is:
- July Tender, evaluation and appointment Executive recruitment agency

- August Recruitment planning and preparation
- Early September Advertise
- End September Shortlisting of applicants
- Mid October Interviewing and assessment of shortlisted candidates
- End October Appointment decision

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