

Phil Norrey
Chief Executive

To: The Chairman and Members of
the Appointments and
Remuneration Committee

County Hall
Topsham Road
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EX2 4QD

(See below)

Your ref :
Our ref :

Date : 21 July 2016
Please ask for : Rob Hooper 01392 382300

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APPOINTMENTS AND REMUNERATION COMMITTEE

Friday, 29th July, 2016

A meeting of the Appointments and Remuneration Committee is to be held on the above date at 10.30 am in the Committee Suite - County Hall to consider the following matters.

P NORREY
Chief Executive

AGENDA

PART I - OPEN COMMITTEE

1 Apologies for Absence

2 Minutes

Minutes of the meeting held on 11 May 2016

3 Items Requiring Urgent Attention

Items which in the opinion of the Chairman should be considered at the meeting as a matter of urgency.


4 Senior Management Structure (Pages 1 - 8)

Chief Executive to report [*Report to be circulated when available*].

PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF PRESS AND PUBLIC ON THE GROUNDS THAT EXEMPT INFORMATION MAY BE DISCLOSED

Members are reminded that Part II Reports contain confidential information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Democratic Services Officer at the conclusion of the meeting for disposal.

MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER

Membership
Councillors J Hart (Chairman), J Clatworthy, A Connett, B Parsons and R Westlake
Declaration of Interests
Members are reminded that they must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.
Access to Information
Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact Mr Hooper on 01392 382300.
Internet
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 Induction loop system available

- a)
- b)

PROPOSALS FOR CHANGES TO THE COUNCILS SENIOR MANAGEMENT ARRANGEMENTS

Report of the Chief Executive

Recommendations:

- (a) That the Committee agree the structural proposals outlined and give their endorsement to proceed to consultation.
- (b) That the Committee note the actions proposed under the Chief Executive's delegated powers in respect of appointing to 'acting' arrangement for the Head of Education and Learning and an interim appointment for the Head of Children's Social Care
- (c) The Committee agree to recruitment processes commencing in September to seek permanent appointments for the Head of Education and Learning and the Head of Children's Social Care.

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#### 1. **Introduction**

The current senior management structure was introduced in May 2011. It consists of three portfolios of services: People, Place and Corporate Services. A Strategic Director is responsible for each of the three portfolios with the Chief Executive acting as Strategic Director for Corporate Services. Each Strategic Director has four direct reports, giving a total of fifteen posts (including the Chief Executive) in the wider leadership group

The structure has worked well in helping the Council to cope with five years of significantly reducing budget settlements, but the retirement of Heather Barnes as Strategic Director for Place, the changing context in which the Council is operating (particularly in relation to the National Health Service), and our approach to organisational change, based on redesigning a number of key 'systems', have forced us to ask whether the structure, in its current form, set out in Chart One, remains fit for purpose.

(For Chart One, See Appendix 1)

#### 2. **The Case for Change**

When the current structure was established it was in response to a political desire for the Council's organisation to develop a 'One Council' approach. To some extent that has worked, but the three portfolios have over time inevitably developed their own cultures which has made it more difficult to work collectively on shared objectives than it otherwise might be.

The People portfolio is large in comparison with the other two and while it was envisaged that there was real complementarity in bringing services to vulnerable children and adults under one umbrella, the differences in the adults' and children's agendas have, in reality, become greater than the similarities. The adults' agenda is increasingly focused on the integration of commissioner and provider functions with those of the NHS, whereas in children's services the primary focus is the operational performance of the Council's children's social care workforce. In addition, the publication of the White Paper Education, Excellence Everywhere set out a new vision for Local Authority Education services and this will also require significant

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senior management focus, because of the cost and performance risks to the Council. Both Adults' and Children's budgets are subject to significant demand pressures which require continuous senior management attention. In this context it is clear the senior leadership capacity has become stretched.

The Place portfolio has created a much more coherent approach to communities and to strategic planning but there is still a degree of fragmentation in relation to our approach to improving the well-being of the whole population, and relative to the position in People services there is more than a sufficiency of senior leadership capacity.

Our approach to organisational change over the coming two years will involve a fundamental appraisal of what we do and how we do it, taking a systems-based approach. This will inevitably require the senior leadership of the organisation to work in a more collaborative and flexible way and our structural arrangements should better reflect that requirement and more clearly support our core purposes.

### 3. **The Principles for Change**

The structural proposals set out below are based on the following principles:

- The purpose and accountability of the senior roles should be clear and understandable
- Senior leadership capacity should match the scope of the role
- The structure should support the 'purposeful systems' approach to organisational change and support further development of the one Council approach and the reduction of duplication
- The structure should be flatter, but with no more than eight direct reports to the Chief Executive (currently there are six)
- Structural arrangements should reflect the need to work more flexibly in partnership across organisations
- Change to the new arrangements should involve the least possible disruption to the organisation
- The structure should support the development of, and provide opportunities for, the future leaders of the organisation
- The structure should complement, as far as possible, existing political portfolios
- Changes to the structure should be cost neutral at worst

### 4. **Proposed Senior Management Structure**

The first element of the proposal would be to remove the Strategic Director posts and move to a model of eight senior officers reporting to the Chief Executive. In place of the Strategic Directors, there would be four Chief Officer roles covering:

- **Adults' Health and Care** (*Statutory Director of Adult Social Services*)
- **Children's Services** (*Statutory Director of Children's Services*)
- **Highways and Capital Development**
- **Community Health, Prosperity and Environment** (*Statutory Director of Public Health*)

This structure will allow for a clear focus of the Council's three main service accountabilities – Adults Services, Children's Services and Highways - and bring together in one group its 'place shaping' and universal population services - Community Health, Prosperity and Environment

The corporate services senior posts reporting to the Chief Executive would be largely as now:

- **County Treasurer (Section 151 Officer)**
- **County Solicitor (Monitoring Officer)**
- **Head of Digital Transformation and Business Support**

In addition, to provide leadership for the organisational change programme, the proposals make provision for a post of **Head of Organisational Development** which will be accountable for the delivery of the 'One Plan' process which brings together planning for change and 'business as usual' within one framework. This post will also report to the Chief Executive.

In summary, management portfolio responsibilities will be as follows (budget figures are approximate indications)

- **Chief Officer for Adult Health and Care** (Budget £200m)  
*Adult Social Care and services integrated with Health*
- **Chief Officer for Children's Services** (Budget, excluding Dedicated Schools Grant, £100m)  
*Education (including Early Years), Children's Social Care, Early Help Services*
- **Chief Officer for Community Health and Prosperity** (Budget £85m)  
*Public Health, Economic Development, Trading Standards, Post-16 Education and Skills, Transportation, Strategic Planning, Environment, Flood Protection, Working with Communities, Youth & Library Services Commissioning, Community Resilience, Research and Intelligence and Performance Management.*
- **Chief Officer for Highways and Capital Development** (Budget – revenue £35m, capital £55m or £245m over a 5 yr period)

Responsibilities for the **County Treasurer** and **County Solicitor** posts will remain as now with the **Head of Organisational Development** having responsibility for the HR function. The job title of the **Head of Business Strategy and Support** will change to reflect the importance of Digital Strategy in supporting organisational change.

In **Adult Health and Care**, **Children's Services** and **Community Health, Prosperity and Environment** two Head of service posts, each with significant responsibilities will report to the Chief Officer post(s) as set out in Chart 2. (See Appendix 2)

Some of these Heads of Services will see some changes to their management portfolio as some services are moved from the current Head of Services for Communities and Head of Education and Learning.

The changes proposed are as follows:

**Transfers to Economy, Enterprise and Skills:**

- Universal Post 16 Education and Skills from Education and Learning
- Adult Learning from Services for Communities
- Trading Standards from Services for Communities

**Transfers to Planning, Environment and Transportation:**

- Public Transport and School Transport from Services for Communities

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## 5. **Accountabilities and team structure**

The Chief Executive's eight direct reports will act as the Leadership Team for the organisation, with the support of the Heads of Service, who will attend Leadership Team meetings as appropriate and be considered as part of the wider organisational leadership group.

While Chief Officer and Head of Service roles will continue to have specific service-related accountabilities, the principal accountability for all members of the leadership group will be for contribution to the overall Council objectives.

Heads of Service within the Adults, Children's and Community Health and Prosperity teams will continue to be accountable for service performance as now and Heads of Service would continue to attend Cabinet meetings relevant to their responsibilities. In addition Heads of Service may be given cross organisational lead responsibilities. For, example the Head of Economy, Enterprise and Skills would take a lead on improving commercial awareness across the Council.

## 6. **Cost**

The overall cost of the structure across the top two tiers of management would be neutral at worst, with the possibility of a small saving. The changes to the management portfolio and reporting arrangements will require us to make minor amendments to the job descriptions for all the leadership posts. There could be some additional costs, in particular for posts which are taking on additional service/resource responsibility, but it is expected that if there are costs these would be offset by the net savings from the deletion of the Strategic Director Place post.

## 7. **Process and timetable**

For the majority of the Heads of Service the proposals do not make significant changes and it is proposed that all current post holders remain with their current portfolio.

It is proposed that the current Head of Communities is re-designated as the Head of Organisational Development

The proposed structure has been the subject of extensive informal discussions with the senior management group. A consultation period will take place following the Appointments Committee on the 29<sup>th</sup> July until the beginning of September. Implementation and transition planning would commence through September and October, with the new leadership arrangements all being in place to take effect from the 1<sup>st</sup> November.

It is proposed that Jo Olsson, Interim Head of Children's Social Care, and with significant experience at Director level in other Authorities, undertakes the Chief Officer role for Children's Services and that recruitment processes be undertaken for the vacant posts of Head of Education and Learning and Head of Children's Social Care. These will involve the Appointments and Remuneration Committee and it is proposed that this will take place in September. In the meantime, the Chief Executive will appoint an Acting Head of Education and Learning, to cover the period from Sue Clarke's departure on 31 August, similarly, an interim Head of Children's Social Care will be appointed pending the appointments of the permanent new Heads of Services.

## 8. **Political Arrangements**

The proposed structure would cause little change in the relationship between Cabinet members and accountable officers and it is not envisaged that there would be any need to change portfolio responsibilities as a result of the changed management structure.



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For the purposes of Scrutiny, there is no reason to change the existing remits of the four Scrutiny Committees in advance of the May 2017 elections.

9. **Conclusion**

It is proposed that the Appointments and Remuneration Committee agree the recommendations and consultation commences. A further update will be provided prior to ratification of these proposal by the full Council.

**Phil Norrey**  
**Chief Executive**

**[Electoral Divisions: All]**

Local Government Act 1972: List of Background Papers

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**Appendix II – Proposed Structure Chart  
for the Leadership Group**



