

Senior Management Structure

General Purposes Committee	24th January 2023
Report Author	Colin Carmichael, Chief Executive
Portfolio Holder	Councillor Ash Ashbee, Leader of the Council
Status	For Decision
Classification	Unrestricted
Key Decision	No
Ward	Thanet Wide

Executive Summary:

This report reviews the senior management structure of the Council, and seeks endorsement for a revised structure; it also reviews the delegations applying to future Councillor approval for changes to the senior structure, and to current and future recruitment to this and future structures.

Recommendations:

1. To endorse the proposed Senior Management Structure as set out in the report at paragraph 6.8;
2. To authorise the Chief Executive to determine the operative date of the new structure;
3. To recommend to Council that the terms of reference of the General Purposes Committee should explicitly cover the approval of any future substantial changes to the senior management structure (which by definition will be the scope and reporting lines of the posts of Chief Executive, Directors, and Heads of Service);
4. To delegate to the Chief Executive, in consultation with the Leader, any future non-substantial changes to the senior structure;
5. To note that changes may be made to the structure, depending on appointments to the vacant posts;
6. For this exercise only, to delegate to the Chief Executive the responsibility of making appointments to all of the new senior structure at the ring-fencing/slotting stage, and to any vacant posts of Head of Service at the competitive recruitment stage;
7. For this exercise only, to delegate to the Chief Executive the responsibility of recommending appointments to vacant posts of Director at the competitive recruitment stage to this Committee for formal approval;

8. To recommend to Council the creation of a politically balanced Appointment Sub Committee of the General Purposes Committee in the municipal year 2023/24 onwards with terms of reference to oversee the process of recruitment to the posts of Chief Executive and Directors, including the final decision on successful candidates; and to take on the responsibility of hearing Grievances at this level;
9. To confirm the current delegation to the Chief Executive of future appointments to posts of Head of Service.

Corporate Implications

Financial and Value for Money

The restructuring of the Senior Management Team, and the other associated roles set out within this report, will result in an anticipated additional annual cost to the council of approximately £70,000.

It is anticipated that some of this extra cost can be recharged to and funded by the HRA and/or other income generating units, however a detailed analysis of how these costs would be allocated via our internal recharging mechanism need to be undertaken to ascertain the exact split of costs. This exercise will be undertaken as part of the Quarter 1 Monitoring exercise for the 2023/24 financial year.

In advance of the completion of this exercise, it is proposed that the additional costs initially be financed from the General Fund revenue budget, with the subsequent realignment of budgets being undertaken at Quarter 1 of 2023/24.

The additional budget requirement for the new structure can be funded in its entirety from existing approved General Fund revenue resources; in part from the £40,000 residual budget that remained following the deletion of the Deputy Chief Executive role during the 2022/23 budget setting process, with the remaining £30,000 balance being funded from the aggregation and virement of corporate contingency budgets.

Due to the need to recruit for a number of the roles in the new structure it anticipated that there will be some vacancies and consequent savings in-year, in addition to this the Chief Executive role is budgeted at 1.0FTE but is currently being filled by the Interim Chief Executive at 0.8FTE, which will provide further in-year savings. This may however, be offset somewhat by additional costs associated with the continued use of temporary agency staff to fill some of the senior management positions whilst the permanent roles are being appointed to.

Overall, the section 151 officer is satisfied the proposals can be funded from existing approved resources.

Legal

There are no legal implications arising from this report. A key part of the Organisational Review will, however, need to consider the Council's ability to meet its statutory obligations and this is a matter which will have to be considered as the review progresses. Equally, where it is applicable, the Council will need to ensure that Employment procedures are followed as appropriate.

The statutory role of Monitoring Officer has been allocated to the Head of Legal and Democracy.

There is a legal duty to consult with individuals when there are proposed redundancies and/or changes to structures and jobs. The duty to conduct collective consultation with trade unions is triggered when the proposed redundancies affect 20 or more employees. As there are no proposals for any redundancies it is not anticipated that this will require any individual consultation.

Corporate

The proposals in this report aim to create a coherent senior management structure that is capable of delivering the council's objectives across all its key aims.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

This report relates to the following aim of the equality duty: -

- To eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act.
- To advance equality of opportunity between people who share a protected characteristic and people who do not share it
- To foster good relations between people who share a protected characteristic and people who do not share it.

No direct equalities implications have been identified in this report. The proposed Senior Management Structure has been created with the aim of applying the council's procedures fairly to all staff. Appointments to the new structure will be carried out in accordance with our procedures and good recruitment practice.

Corporate Priorities

This report relates to all the following corporate priorities: -

- Growth
- Environment
- Communities

1.0 Introduction

- 1.1 As part of my remit as interim Chief Executive, I have reviewed the senior management structure for the Council, and am seeking endorsement for a revised structure; I am doing so with the recommendations of the Independent Monitoring Officer (IMO) in mind; I am also reviewing the delegations applying to future Councillor approval for changes to the senior structure, and to current and future recruitment to this and future structures.
- 1.2 This report sets out my proposals covering all of these issues.
- 1.3 I define the senior management structure as the top three 'tiers' in the officer structure - which are the Chief Executive; Directors; and Heads of Service. The issues covered in this report, therefore, are the scope and reporting lines of these posts; the process of appointment to these posts; and the delegations in the Constitution to formalise this.
- 1.4 The current position in the Constitution appears to be that the Chief Executive has delegated authority to approve all changes to the senior structure, and to make all appointments to it.
- 1.5 Councillors are, therefore, currently only delegated to make the appointment to the post of Chief Executive. They have no authority to approve the senior management structure.
- 1.6 In my view, acting as the Governing Body of the Council, Councillors should be authorised to consider and to approve recommendations made to them by the Chief Executive on structural changes at this level.
- 1.7 There is also, in my view, a strong case for Councillors to be responsible for making appointments to the posts of Chief Executive and Directors. These are the posts where there is most contact between Councillors and Officers, and although the view of the Chief Executive should be taken very much into account when appointing Directors, the final decision should rest with Councillors.

2.0 Background - structure

- 2.1 There have been a number of changes to the senior management structure over the past few years. These have sometimes been permanent, but there have also been a number of temporary changes. For example, the post of Deputy Chief Executive was deleted in 2021, which led to the creation of temporary reporting lines to the Chief Executive for posts which previously reported to the Deputy.
- 2.2 More specifically, there were much broader temporary changes put in place last June following the departure of Madeline Homer. Although these arrangements were absolutely essential in order to keep the Council functioning after the effective loss of the complete CMT, they have blurred reporting lines and rely on the remaining senior staff stretching their remits to make them work. There is, as a result, a serious loss of capacity at this level which has slowed down our ability to make significant progress on all the major projects in the Corporate and other Plans.
- 2.3 I should say that I have had some difficulty in identifying the precise current structure. There are different versions, which have also been overlaid with the current temporary arrangements. I have in the end used the budget information about which posts are funded. Although these proposals are looking forward, I have needed to identify the current structure as precisely as possible - the importance being that the rights of individuals to be considered for new posts, as set out in paragraph 8 below, depends to some extent on the post they currently hold in the permanent, as opposed to the current temporary, structure.
- 2.4 In summary, therefore, there are several reasons why a new structure needs to be agreed.
1. Owing to the departure of several key senior staff, there are temporary management arrangements in place, and the numbers of staff at the senior level are worryingly low. New appointments should be made at this level until a revised and secure structure is put in place.
 2. Some of the recommendations of the Interim Monitoring Officer refer to the need to review the senior structure.
 3. Some of the other IMO recommendations (for example, team building at senior level) rely - in my opinion - on the new structure being in place and appointed to.
 4. Overall, until the process is complete, the recommendations from the Grant Thornton Section 24 report and those of the IMO cannot be completed, and the Council will not be removed from the possibility of central government intervention.

5. There are a number of key projects + service areas that require review and/or direction, and progress on these will be very slow until there is stability and, more importantly, capacity at senior level.

Background - recruitment

- 2.5 As I say in paragraph 1.7 above, it is the practice in most Councils for Councillors to be responsible for appointments to the posts of Chief Executive and Directors. I am proposing that that position be confirmed for Thanet.
- 2.6 In principle, that responsibility should be held by the General Purposes Committee. However, it is unwieldy to expect a whole Committee to form an interview panel.
- 2.7 I am, therefore, proposing that a politically balanced Appointment Sub Committee of the GPC be created from the beginning of the next Municipal Year with the responsibility of conducting the recruitment process including formal appointments to these posts.
- 2.8 Given that Grievances against senior officers have to be heard by Councillors, I am also suggesting that this new Sub Committee take on this responsibility.

3.0 Context

- 3.1 The position nationally is, in my view, as uncertain as Local Government has ever encountered.
- 3.2 National government is undergoing significant change, driven to some extent by the long-term impact of Covid, and the war in Ukraine. A general election will be held within 2 years, but at no specific time. The national economy and budget are in difficulties. Inflation in fuel and other goods will cause local economic difficulties and great pressure on Council finances.
- 3.3 The impact of the digital revolution - itself developing much faster due to the need to adapt during lockdowns - will eventually lead to a complete change in the way that Councils deliver services in ways that are only now being worked through by some Councils. Thanet will need to address this issue as soon as possible.
- 3.4 Local government finance has been under review for years - through changes and reductions to national government support, and delays in developing a Fair Funding framework. Councils exist from year to year

without a clear understanding of likely income - and so, must depend more on developing income streams to be able to finance decent service delivery.

- 3.5 Beyond these 'problems' are the issues of housing supply; the drive to low carbon; the significant sums to be invested in regeneration of our towns - all of which demand a rethink of how we go about our business.
- 3.6 A new senior structure won't 'solve' these issues, but it needs to take them into account. As I say above, there is a pressing need to generate capacity at this level - not only to supervise excellent service delivery, but also to drive through the changes needed to enable us to adapt to this uncertain environment, and to address these issues.

4.0 Principles behind the new structure

4.1 I set out below a few principles I have used to determine the shape of the senior . structure.

1. In my view, there is a need for a functioning and effective 'centre' - to **support** service delivery and to ensure financial and legal compliance. I am grouping the appropriate services together under a Director.
2. The level of national uncertainty means that the Council needs even greater policy **direction** from the centre - to drive a corporate approach to the council's activities and the changes that will need to be introduced, such as digitalisation of service delivery - or to ensure a more 'corporate' approach to some of our activities such as Climate Change. Our Strategic and Transformation functions will be grouped together and report, via a Head of Service, to the Chief Executive.
3. The Council runs front line services to the public through a mixed market of direct and indirect **service delivery**. Although some councils have dealt with this by grouping the direct services and the indirect services together, it seems to me that this is too rigid an approach. The proposed structure allows professional staff to manage both types of service delivery with the benefits for the resident/customer being the overriding objective.
4. I have considered the question of job titles. In Thanet, the most senior three levels in the current job hierarchy are - Chief Executive; Corporate Directors; Service Directors. In many other Councils the hierarchy is Chief Executive; Director; Head of

Service. I am suggesting that the appropriate job titles should be Chief Executive; Director; Head of Service.

5. I considered whether, as we are taking a thorough look at the senior management structure, there would be any benefit in covering the management posts that report to the current posts of Service Directors. The advantage would be to enable examination of how functions are grouped together at less senior levels. The disadvantage would be to broaden the complexity of the structure change. I have concluded that I should not go below this level unless I need to do so to make a change work effectively. Aside from the complexity, there is a strong argument in favour of those officers who will be appointed to the new senior posts having a strong influence over the structures reporting to them. (See paragraph 7.2 below).
 6. Recommendations were made by the Independent Monitoring Officer in favour of ensuring that the HR function was properly incorporated into the structure. I have made proposals to achieve that.
 7. Political priorities as expressed in the Corporate Plan need to be considered. I have placed the key services that drive these policies in the Chief Executive's direct line of control.
 8. A balance of reporting lines is essential, to ensure that there is a good spread of capacity.
 9. Services which relate to each other should, if possible, be in the same Service or Departmental grouping.
 10. Clarity of decision-making - which is obtained by being clear which functions report to which post and the decision making that can be made at each level.
 11. The need to keep costs within budget.
- 4.2 There is no 'perfect' structure. Given the difficulties of the last few months, and the need for certainty and predictability at officer level, I have tried to put in place a balanced position that will not need to be changed for some time, and have avoided any 'radical' approaches for that reason.
- 4.3 The concept behind the structure is that Heads of Service will deal with operational matters, and ensure that, for the functions and services under their management control, staff are managed well; performance is

maximised; and budgets are balanced. They will also contribute significantly to corporate decision-making and policy development.

- 4.4 One of the most frequently cited 'issues' in the replies to consultation I received, was the lack of clarity over which senior officer could take which decision - leading, in some cases, to failures to take key decisions. I am seeking to set out a structure with clarity about the management of services and functions, which should enable most decisions to be taken by the Head of Service, or as delegated by them.
- 4.5 However, there are a significant number of projects, which are corporately important; require working across a number of services; or have significant political priority. There needs to be sufficient capacity at a senior level to ensure that we make real progress on these projects; and that there is a nucleus of the Corporate Management Team; and that will be the primary task of the new Directors.
- 4.6 In creating the departments, it is, of course, important as far as possible to place services together in a logical way. However, that also has to be balanced against the need to even out the span of control carried by Directors or Heads of Service. That has been almost the most important objective. At the moment, some senior officers carry an overwhelmingly heavy remit.
- 4.7 I am generally comfortable with the groupings of Heads of Service within the Environment and Place Departments. I am suggesting that Coastal and Public Realm should be in the Environment Department, and Housing and Planning with the Place Department. There is an argument to switch that, and to locate the Coastal and Public Realm Service in the Place Department, and the Housing and Planning Service in the Environment Department, but on balance I am proposing the location should be as set out in paragraph 6.8 below.
- 4.8 The other issue to bear in mind is that it will be sensible to be prepared to make minor changes to the structure, depending on who is appointed to which post, and what skills and experience they can offer. I am asking the Committee to note that that may be a possibility, and to delegate responsibility to me in consultation with the Leader to make any such changes.

5.0 Process of consultation

- 5.1 I went through two stages of consultation in developing a new senior management structure.

- 5.2 At the first stage, I sought general views on a range of issues such as those I list above. I did not at that stage propose a new structure for comment. It was open to any member of staff to give me views, on any issue, broad or narrow. There are many staff working for the council who have much more experience than I do on the pros and cons of structures that have applied in the past.
- 5.3 I received 27 replies at this stage. Some of those replies contained both comments on my specific questions, and also reflections on the way in which the council carries out its business. I will be sharing those latter type of comments, on a completely anonymous basis, with other senior managers, so that we can reflect on what is being said.
- 5.4 The second stage was the start of the 'formal' consultation process. I proposed a specific structure for comment and feedback. I set out the potential implications for those staff who are directly affected by the change to or deletion of their substantive post. I received 21 replies at this stage.

6.0 Proposals

- 6.1 I asked for views on whether to change the title of posts at a senior level from Corporate Director to Director; and from Service Director to Head of Service.
- 6.2 I understand the reasons why the original change from Heads of Service to Service Director was made. It was around the time of the pandemic, when a number of the then Heads of Service were taking on broader roles, and there was an incentive to recognise that in job titles. No additional pay was attached to the new title.
- 6.3 I suspect that those reasons have now largely ceased to apply. As I said in my first note, the more usual way of describing the top three tiers in a Council is Chief Executive/Director/Head of Service.
- 6.4 There were, however, some comments to the effect that changing titles in this way, might feel like demotion to those who hold the title, but the majority of respondents agreed with the change.
- 6.5 I am, therefore, proposing that posts that were previously at Corporate Director level, should be called Director, and posts which were previously at Service Director level, should be called Head of Service. The pay levels will remain the same - on the basis that they did not increase when the re-naming of posts happened in reverse, and that I do not envisage that duties and responsibilities will change.

- 6.6 Under this proposal, Heads of Service will report to Directors, or the Chief Executive where that applies. Directors will report to the Chief Executive. I have named posts in the section headed 'Proposals' below, and elsewhere in this document, on the basis of this proposal.
- 6.7 I am proposing to create four Departments. Three of those will be headed by a Director. The fourth will be, in effect, the 'Chief Executive's' Department, and the Head of Service in that area will report directly to the Chief Executive.
- 6.8 The Departments and senior posts are set out below. I have allocated 'functions' to each of the posts. There will already be specific posts at levels below Heads of Service with responsibility for delivering one or more of these functions. It will be for the Directors and Heads of Service to work through the best structural way of delivering these functions, if change is needed - though, as I say above, I am not anticipating substantial changes at this level.

1. Corporate Services Department

Director and S.151 Officer - to which post the following posts report:

Head of Finance and Procurement

- Financial Services
- Financial Systems
- Treasury Management
- Procurement
- Risk and Insurance

Head of Legal and Democracy and Monitoring Officer (with dotted line to Chief Executive on MO activity)

- Legal
- Democratic Services
- Elections (with dotted line to Returning Officer)
- Information governance - data protection and cyber-security
- Land Charges

Head of Human Resources.

- HR advice
- Employment Law
- HR Policies
- Organisational Development
- Client for contracted out HR services: Payroll; Occupational Health; eLearning
- Equalities as it relates to the workforce

Two further posts will report directly to the Director, or to one of the Heads of Service. These are:

Facilities Manager

- Print and Mail
- Cleaners
- Caretakers
- Facilities Management
- Internal repairs and maintenance

Health and Safety Compliance Officer

- Work-based health and safety

One further function reports to the Director

- Client for Civica activity on Revenues and Benefits

2. Chief Executive's Department - the following post reports to the Chief Executive:

Head of Strategy and Transformation

- Corporate Plan
- Climate Change
- Equalities Policy
- Improvement and Performance
- Communications lead - internal and external
- Consultation lead
- Social Media lead
- Member engagement
- Client for Civica activity on Customer Services
- ICT
- Lead on digital strategy
- Development
- Business transformation and analysis
- Digital Technology
- Digital Security

Two further changes will be applied in this area (of Strategy and Transformation).

A. The vacant post of Policy Officer will be changed to Policy Manager, reporting to the Head of Service. The Climate Change/Net Zero posts will be moved to the Policy team, but will report directly to the Head of Strategy and Transformation. Together, these posts will manage Corporate Policy, such as the Corporate Plan; Climate Change, and Improvement.

B. The existing vacant post of Digital Transformation Manager will be reviewed, with a view to giving the postholder more authority to take

the lead on digital strategy and implementation. This post will also report to the Head of Service.

One further post will report to the Chief Executive. This is:

Executive Support Manager

- Executive support to CX and Directors
- Complaints management

3. Place Department

Director - to which post the following posts report:

Head of Regeneration and Growth

- Economic Development
- Culture and Tourism (Visitor services)
- Museums
- Business space management - Kent Innovation Centre/Green Campus/Future High Street Fund
- Delivery of LUF and Margate Town Deal projects

Head of Property

- Estates management
- Major and external repairs and maintenance
- Property advice

Head of Housing and Planning

- Tenancy Services
- Housing Options
- Housing Strategy and Projects
- Private Sector Housing
- Development Control
- Planning Enforcement
- Local Plan/strategic planning
- Building Control

4. Environment Department

Director - to which post the following posts report:

Head of Neighbourhoods

- Cemeteries and Crematorium
- Multi-agency services (Margate Task Force)
- Enforcement services
- Community safety
- Regulatory services (Environmental Health/Licensing/Food safety/Air quality)
- Technical support
- Parking

Head of Coastal and Public Realm

- Port and Harbour management and client
- Beach and coastal services
- Technical Services - flood and coast protection/coastal maintenance/coastal asset management/municipal civil engineering
- Birdwise
- Emergency Planning
- Open Spaces
- Minor Works
- Public Conveniences (investment and Improvement)

Head of Cleansing Services

- Waste Collection
- Recycling
- Street Cleaning
- Commercial Waste
- Public Convenience cleaning and opening/closing

Posts to be deleted. (Representing the current structure)

Corporate Director of Corporate Governance
 Corporate Director of Communities
 Director of Finance and S151 Officer
 Director of Law and Democratic Services and Monitoring Officer
 Director of Communications
 Director of Neighbourhoods
 Director of Operations
 Director of Housing and Planning
 Director of Regeneration
 Director of Property
 Director of Environmental Services
 HR Manager
 Digital Transformation Manager
 Environmental Services Manager
 Policy Officer

Posts to be created (representing the new structure)

Director of of Corporate Services and S151 Officer
 Director of Place
 Director of Environment
 Head of Finance and Procurement
 Head of Legal and Democratic Services and Monitoring Officer
 Head of Human Resources
 Head of Strategy and Transformation
 Head of Regeneration and Growth
 Head of Property
 Head of Housing and Planning
 Head of Cleansing Services
 Head of Coastal Services and Public Realm
 Head of Neighbourhoods
 Policy Manager
 Digital Transformation Manager

A chart setting out all the posts to be created and their reporting lines is attached as Annex 1

7.0 Specific Issues

7.1 Role of Deputy Chief Executive

Under previous structures, a specific post of Deputy Chief Executive had been created. I am proposing, instead, that the status of Deputy be applied to one of the Director posts, with a small financial compensation for carrying out that role. In principle the Council would retain the right to allocate the Deputy role to any Director who it was appropriate to ask to cover that role.

7.2 Structure below Heads of Service

In paragraph 6.8 above, I set out the newly created posts, and list the functions which that post will be responsible for. For the sake of clarity, it will not be the case that each of those functions will be managed by a separate manager. Groups of functions are likely to be managed by one manager. How that is structured will be for completion after this senior structure has been approved.

7.3 Capital projects

There are at least four service areas that undertake substantial capital projects. These are; Housing; Property; Regeneration and Growth; and Technical Services. It seems to me that there is a very strong argument for looking at how this work could be better organised.

There are required skills in common between them - project management; design and surveying; procurement; and so forth. Dealing with this issue is not necessarily simply structural, and it needs proper debate to look at ways of making improvements, so for now I have not made any suggested structural changes - but I shall pick this issue up and - if necessary - make changes in the future.

7.4 Role of Property Services

We need to review and be clear about the role of our Property service across the range of property issues that the Council needs to deal with.

In my view, the Property service should be the 'lead' service in terms of managing our commercial property, and in terms of planned and reactive external and major maintenance on all other property. Clearly it will need to carry these responsibilities out in collaboration with other services who may use or occupy the properties.

The service should be the delivery agent, commissioned by client services, for internal maintenance, and for broad advice on property

based projects. That includes the responsibility for advising on best value transactions.

For example, the Facilities Management Team, which I am proposing should be located in the Corporate Services Department, will be responsible for the maintenance and operation of the civic offices, managing internal repairs and maintenance. However, external repairs and maintenance will be the responsibility of Property, working in conjunction with the Facilities Management team.

This is a similar model to the one we apply when leasing our property to others, where we normally differentiate between responsibilities for external, and internal repairs.

This needs to be embodied in a property strategy, which I will pick up with officers in the new structure.

8.0 Implementation of the new structure

- 8.1 The current temporary management arrangements for the senior structure will need to continue until at least the operative date of the new structure, and beyond where newly-created posts are vacant. I am grateful to the senior staff who are managing services well beyond their substantive roles.
- 8.2 Our procedures set out how those staff whose posts are deleted as a result of changes to the structure (listed above) should be considered for posts in the new structure, and I will apply that process.
- 8.3 Where a post in the new structure is very similar to a post in the current structure which has been deleted, the postholder will be slotted into that new post, following an informal interview to test their approach.
- 8.4 Where a new post contains only some of the functions or attitudes required of a deleted post in the current structure, the current postholder will be ring-fenced against the new post - either alone or in competition with another member of staff in the same position. Those staff will be interviewed and may or may not be appointed.
- 8.5 Where a new post is not filled by slotting or ring-fencing, it will be externally advertised, with the opportunity for internal staff to apply.

Contact Officer: Colin Carmichael, Interim Chief Executive

Annex List

Annex 1 Structure Chart

Corporate Consultation

Finance: Chris Blundell, Acting Deputy Chief Executive

Legal: Sameera Khan, Interim Head of Legal & Monitoring Officer