

PART 1 - PUBLIC

Decision Maker: **Executive**

Date: **10 July**

Decision Type: Non-Urgent Executive Key

Title: **REVIEW OF CORPORATE LEADERSHIP STRUCTURE**

Contact Officer: Ade Adetosoye OBE, Interim Chief Executive
Tel: 020 8313 4197 E-mail: ade.adetosoye@bromley.gov.uk

Chief Officer: Ade Adetosoye OBE, Interim Chief Executive
Tel:020 8313 4197 Email: ade.adetosoye@bromley.gov.uk

Ward: All wards

1. Reason for report

This report sets out the key proposals following a review of the corporate leadership structure to ensure an appropriately robust and effective leadership and management structure is in place to deliver the transformation agenda for Bromley.

1.1 The key reasons for the review of the corporate leadership structure are:-

- a) Identifying and addressing current and future business requirements to create a sustainable and fit-for-purpose leadership structure
 - b) Reconfiguring complementary functions/services to improve organisational performance
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2. RECOMMENDATION(S)

2.1 It is recommended that the Executive:

- i. Note and comment on the report
- ii. **The leader agrees to the consequential name changes of officer titles for the scheme of Executive delegation to reflect the corporate leadership structure and recommends that Council agree the necessary consequential officer name changes for the Non-Executive scheme and descriptive text in the constitution.**

Corporate Policy

1. Policy Status: Existing policy.
 2. BBB Priority: Excellent Council.
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Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A.
 3. Budget head/performance centre: Council wide
 4. Total current budget for this head: £60.8m
 5. Source of funding: All Council funded staffing budgets
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Staff

1. Number of staff (current and additional):
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: No statutory requirement or Government guidance.
 2. Call-in: Call-in is not applicable.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 As local government continues to face unprecedented financial pressures and increasing demands on services, a robust leadership and management structure is required to address the organisation's key challenges and to facilitate the delivery of the organisation's strategic priorities as set out in the Transforming Bromley Roadmap.
- 3.2 In line with the scheme of delegation and the Constitution of the Council, the statutory responsibility for ensuring that the organisation works effectively sits with the Chief Executive, who holds overall management responsibility for all staff and staffing matters, including the number and grade of officers required for the discharge of the organisation's key functions. Consequently, a review of the corporate leadership structure has been undertaken to enable the successful delivery of the Transforming Bromley Programme over the next four years and achieve the following outcomes:
- Better alignment between the departments and Executive Portfolio Holders
 - Identifying opportunities for reorganising divisional/departmental functions to facilitate joint working between relevant service areas
 - Provide a structure to support required operational changes – i.e. decision making, contracts procedure rules (CPR) and scheme of delegation
 - Establish clear reporting lines to the Chief Executive
 - Provide consistency on job titles between Director posts and all other senior leadership roles, which will be defined as Assistant Directors/Heads of Service
 - Provide clarity in respect of the roles of statutory officers and where statutory responsibilities are held in the organisation
 - Sustain and develop long-term partnership working across the borough and facilitate place-based leadership (health and social care, schools, police, fire and rescue services, the voluntary and community sector).
- 3.3 The proposed structure set out in this report refers to the first tier of senior leadership, which includes the Chief Executive and his reporting line of Directors / Chief Officers, who form the Chief Officers' Executive (COE) group (see Appendix 1). An accompanying review of key policies, processes and procedures in relation to finance, legal and performance management will be completed to support the structural and cultural changes.
- 3.4 The reconfiguration of the second tier of senior leaders, which refers to the immediate direct reports of the Chief Executive's leadership team, will be determined by Directors in line with the future needs and business requirements of their service areas.

Context setting

- 3.5 At present, the Council has a range of senior leadership roles across the three departments, ranging from the Chief Executive, Executive Directors of Services, Directors of Services and Assistant Directors to Heads of Service. While each post has lines of accountability, there is sometimes a lack of clarity on where statutory responsibilities are held and the alignment between departments and Executive Portfolio Holders.
- 3.6 The new senior leadership structure will provide clarity and demonstrate clear lines of accountability in order to support the transformation agenda. It will also streamline management functions within the respective departments.
- 3.7 In most instances, the new structure will be achieved by re-designation of some job titles and some realignment of reporting lines. It is also proposed that some posts will be deleted. In total it is expected that this realignment of the structure will achieve recurring savings totalling £1.25 million per annum. In addition, the senior Leadership Team has agreed to put in place a

vacancy factor of 3% from April 2020 and this will generate a saving of £1.785m. This will be reflected in the draft 2020/21 budget to be considered by the Executive in Jan 2020. In total, the anticipated savings from the transformation programme relating to staffing is circa £3m. This is within the context of the emerging budget gap of £31.7m by 2022/23.

- 3.8 The structural changes, including post creations/deletions and changes in reporting lines, will give rise to a few HR/employment law implications, including redundancies. Some of these will require sensitive handling, including the use of 'natural wastage' e.g. vacancy freeze, redeployment and limited use of individual agreements where appropriate in order to:
- a) minimise or eliminate the legal risks to the Council
 - b) balance the need to restructure with the impact on staff morale
- 3.9 In respect of all deleted posts, the Interim Chief Executive has carried out a risk assessment and skills audit and is satisfied that the deletion of these posts will not impact adversely upon the operational delivery of services. The list of posts proposed for deletion is as follows:

Post	2019/20 budget
	£
Deputy Chief Executive and Executive Director of ECHS	224,430
Executive Director of ECS	194,430
Director of Environment	137,050
Chief Planner	128,380
Environment Strategic Commissioner	77,010
Head of Cultural Business Development	76,910
Director of Commissioning	159,430
Head of HR Business Services	33,240
Head of HR Strategy & Education	91,420
Executive Assistant to the CEX	37,970
PA to CEX	44,810
	1,205,080

- 3.10 It should be noted that some posts in section 3.9 are support roles to the leadership team. Where deletions may lead to personnel implications, these will be managed in line with the Council's Managing Change Procedure and the relevant employment law provisions. In light of this, some affected staff at the leadership levels will be assimilated or redeployed into realigned, revised or new roles as suitable alternative employment taking into account their skillset and experience. This approach is consistent with the Council's legal duty under the Employment Rights Act 1996.

Proposed senior leadership structure – phased implementation from August 2019

- 3.11 In line with Appendix 1, the following proposals outline the future composition of the Chief Executive's senior leadership team. The realignment of the leadership structures is intended to improve the speed of learning and decision-making, as well as promoting more efficient collaborative working and rationalise overall establishment costs.
- 3.12 It is proposed that the direct reporting lines into the Chief Executive will now be:
- Director of Children's Services (para. 3.16 and 3.17)
 - Director of Adult Services (para. 3.18 and 3.19)
 - Director of Environment and Public Protection (para. 3.23 and 3.24)
 - Director of Housing, Regeneration and Planning (para. 3.25 and 3.26)
 - Director of Corporate Services (para. 3.27 and 3.28)
 - Director of HR and Customer Services (para. 3.29)

- Director of Finance (para. 3.30)
- Director of Public Health (para. 3.31)

3.13 The wider span of control of the Chief Executive provides an opportunity for more joined up working between Directors, promotes quicker decision making, reduces silo working and ensures a lean, agile and flexible organisation that is able to respond to the Transforming Bromley agenda. The capacity of the Chief Executive to maintain robust oversight of the organisation will be reviewed annually at the Chief Executive's appraisal.

3.14 **Rationalisation of Education, Care and Health Services department**

The current Education, Care and Health Services (ECHS) department is formed of seven divisions:

- Children's services
- Education
- Adult social care
- Housing
- Public Health
- Programmes
- Strategy, Performance and Engagement

3.15 The seven ECHS divisions will be rationalised to report into two new statutory postholders: the Director of Children's Services (paragraph 3.16) and Director of Adult's Services (paragraph 3.18). Following the reconfiguration of the departmental leadership team, it is proposed that the current Deputy Chief Executive and Executive Director, ECHS post is deleted. The impact on the existing Deputy Chief Executive and Executive Director will be managed in line with HR policies and procedures.

3.16 **Director of Children's Services**

The Director of Children's Services is a statutory post in line with the Council's scheme of delegation and will report into the Chief Executive in the future structure. The current post is vacant and is filled on an interim basis (agency). A recruitment process to appoint on a permanent basis to this post will take place in the summer and there is already sufficient funding allocated in the 2019/20 budget for this post.

3.17 The key points to note in relation to this post are:

- The Director of Education will now report into the Director of Children's Services post. The Director of Education post will retain its existing job title and associated responsibilities.
- An Assistant Director, Social Care post will report into the Director of Children's Services and will oversee the work of the Children's Social Care and Safeguarding Division. This post will ensure that the improvement journey in children's social care is sustained.
- The Strategy and Performance division in the ECHS department will be assimilated into this directorate. The division will oversee the Strategy and Performance functions for both children's and adult services. It is also proposed that the Corporate Projects team from the Corporate Procurement division will report into the Assistant Director for Strategy, Performance and Corporate Transformation. This team will support the delivery of the Transforming Bromley agenda across all departments and enable the Chief Executive to maintain oversight on cross-cutting transformation issues.

3.18 **Director of Adult Services**

The Director of Adult Services is a statutory post in line the Council's scheme of delegation and will also report into the Chief Executive in the future structure. It is also proposed that this post leads on the ongoing future integration agenda with the Clinical Commissioning Group (CCG) and other health partners. The current post is vacant and is filled on an interim basis

(agency). A recruitment process will take place to appoint on a permanent basis and there is already sufficient funding allocated in the 2019/20 budget for this post.

3.19 The key points to note in relation to this post are:

- The Commissioning and Programmes division in the ECHS department will be assimilated into this directorate. The division will support commissioning, placements and brokerage in children's and adult services, as well as the wider integration agenda.

3.20 **Rationalisation of the Environment and Community Services department**

The current Environment and Community Services (ECS) department is formed of the following divisions:

- Regeneration
- Environment
- Public protection
- Planning
- Highways
- Traffic and road safety

3.21 The department is currently embarking on a series of new environment contracts, which will require careful relationship management to achieve efficiency. Furthermore, following the rationalisation of the ECHS divisions, there is an opportunity to create synergies between the regeneration division, planning division and the housing division in line with portfolio requirements, due to the borough's homelessness pressures and the housing requirements outlined in the Local Plan.

3.22 It is proposed that two new postholders could oversee the functions of ECS: the Director of Environment and Public Protection and the Director of Housing, Regeneration and Planning. Following this reconfiguration, it is proposed that the Executive Director, ECS post is deleted. The impact on the existing Executive Director will be managed in line with HR policies and procedures.

3.23 **Director of Environment and Public Protection**

It is proposed that the current Director of Regeneration is assimilated into the Director of Environment and Public Protection post, bringing the clarity, momentum and rigour to focus on achieving organisational efficiency and the successful implementation of the new contracts. This makes good business and legal sense because having 'displaced' the current Director of Regeneration partly by transferring/aligning the function elsewhere as detailed below, the Council is legally required to mitigate the impact on the individual by offering a suitable alternative employment. The Interim Chief Executive, in consultation with the Director of HR & Customer Services, considers that the offer of the Director of Environment and Public Protection is a suitable alternative employment.

3.24 The key points to note in the proposed structure of the Environment and Public Protection directorate are:

- The Depot will remain in the Environment directorate in order to provide continuity and maintain effective working between the clusters of environmental services under this post.

3.25 **Director of Housing, Regeneration and Planning**

The current Director of Housing will be directly assimilated to the Director of Housing, Planning and Regeneration post, which will bring together complementary service areas from ECHS and ECS in order to address the organisation's housing and homelessness pressures, regeneration and planning issues at pace. As in 3.21 above, the current Director of Housing is suitably qualified for the Director of Housing, Regeneration and Planning post. Given the

current remit of the post, the current post holder is the right person in law to be assimilated into the new combined role, having addressed the impact on the Director of Regeneration as covered in para. 3.23. No other persons apart from these two individuals are directly or indirectly affected by the changes. The situation with the current Executive Director of Environment and Community Services is covered elsewhere in this report.

3.26 The key points to note in the proposed structure of the Housing, Regeneration and Planning directorate are:

- A minor realignment of the senior leadership team posts will be delivered within the existing cost envelope to provide robust management oversight and to enable the effective delivery of the Housing Strategy.
- The Housing Improvement team will be transferred from Public Protection service to Housing to enable effective collaborative working between the Housing Improvement and Housing Needs services.
- Following the resignation of the Chief Planner, this post will be deleted and replaced by an Assistant Director, Planning post, which will report into the Director of Housing, Regeneration and Planning. This approach will release the savings from deleting the Chief Planner post.

3.27 **Director of Corporate Services**

The Director of Corporate Services fulfils statutory functions as the Monitoring Officer and will continue to report into the Chief Executive. The Director of Corporate Services has overall responsibility for:

- IT Services
- Legal Services
- Democratic Services
- Electoral Services
- Corporate Procurement (see para. 3.28 below)

3.28 The key points to note in relation to this post are:

- The Chief Officer oversight of corporate commissioning and procurement is to be transferred to the Director of Corporate Services from the deleted post of Director of Commissioning. The service will be led and managed by the Assistant Director, Governance and Contracts. This is a good fit given the complementarity between the work of the Corporate Procurement Team and the legal team.

3.29 **Director of HR and Customer Services**

The Director of HR and Customer Services will continue to report into the Chief Executive. There are no staffing implications for this directorate in the new structure. The post holder will provide the strategic lead on the culture change imperatives arising from the transformation programme.

3.30 **Director of Finance**

The Director of Finance fulfils statutory functions as the Section 151 Officer and will continue to report into the Chief Executive. There are no staffing implications for this directorate in the new structure.

3.31 **Director of Public Health**

The Director of Public Health (DPH) fulfils a statutory function and will continue to report into the Chief Executive. However, it is expected that the DPH will work closely with the Director of Adult Social Services (DASS) on the integration of health and social care.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

The review of the senior leadership structure will enable the successful delivery of the Children's Services and Education workstream and the Adult Social Care workstream of the Transformation Programme, ensuring sustainable service delivery for vulnerable children and adults in Bromley.

5. POLICY CONSIDERATIONS

- 5.1 The realignment of the senior leadership structure is an essential element of enabling the delivery of the Transforming Bromley agenda and the supporting Transformation Programme.

6. FINANCIAL CONSIDERATIONS

- 6.1 The proposed post deletions detailed in paragraph 3.9 will achieve full-year savings of around £1.0m, net of the changes required to support the senior leadership team. Subject to the timing of the deletion of those posts that are not currently vacant, this will achieve part-year savings of around £0.8m in 2019/20.
- 6.2 The 3% vacancy factor, subject to Executive approval in January 2020, will result in budget savings of around £1.8m based on the current LBB funded establishment budget (less the proposed post deletions). Where there is a lower level of staff turnover during the year Chief Officers will need to identify alternative savings in their budgets to mitigate.
- 6.3 The 2019/20 budget includes £0.6m of savings for a review of staffing; increasing to £1.5m in 2020/21 onwards, so the proposals will deliver around £1.3m additional full-year savings to help close the £31.7m budget gap that is currently projected for 2022/23, as set out below:

	2019/20	2020/21
	Part-Year	Full-Year
	£'000	£'000
Gross savings from specific post deletions	984	1,205
Less changes to support senior leadership team	Cr 146	Cr 234
Net savings from post deletions	838	971
3% vacancy factor (subject to Executive approval Jan'20)	0	1,785
Total net savings	838	2,756
Savings included in 2019/20 budget/financial forecast	Cr 600	Cr 1,500
Additional savings towards Council's budget-gap	238	1,256

7. PERSONNEL CONSIDERATIONS

- 7.1 Staff directly affected by the changes or proposed changes have been consulted individually in accordance with the Council's Procedure for Managing Change and some early discussions have already taken place. In some instances, leadership posts are either vacant or occupied by agency/Interim workers, with no significant HR/legal issues for the Council. Where posts are realigned, this will support the development of staff and aid in succession planning in order to ensure that the Council retains key skills.

8. LEGAL CONSIDERATIONS

- 8.1 The employment and HR considerations are set out in the report.
- 8.2 While neither requiring any new delegation nor requiring changes to the substance of the scheme of Executive and Non-Executive delegation, both will require amendment to reflect the positioning of delegations in the new structure. Although the scheme is normally updated for approval at the Council's annual meeting in May each year, under the Local Government and Public Involvement in Health Act 2007 any executive powers delegated to officers have to be delegated not by the Council, but by the Leader of the Council. It is open to the Leader to make changes to the Executive scheme at any time. Changes to the Non-Executive scheme and minor consequential name changes will require approval of Council. A revised scheme will be submitted to a future meeting of the Council. There are protections in the Constitution to allow for the continued discharge of functions in the interim.

9. CONCLUSION

- 9.1 This review of the senior leadership arrangements within the Council has identified a need to realign and streamline the current structure to ensure that the Council remains fit-for-purpose in delivering its statutory obligations.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	