

**POST DMA IMPLEMENTATION PLAN PROGRESS UPDATE**

<u>Report of the:</u>	Chief Executive
<u>Contact:</u>	Frances Rutter
<u>Urgent Decision?(yes/no)</u>	No
<u>If yes, reason urgent decision required:</u>	N/A
<u>Annexes/Appendices (attached):</u>	None
<u>Other available papers (not attached):</u>	LGA report and recommendations following Decision Making Accountability Review

**REPORT SUMMARY**

**On 23 March 2015 the Council agreed to a restructuring of the senior management team to implement recommendations of the Local Government Association following their Decision Making Accountability Review of the organisation. At that time the Chief Executive committed to a review and report back of the progress of the implementation of those recommendations. This report outlines progress in a number of areas to date and further areas for development.**

**RECOMMENDATION (S)**

**The Committee notes the progress that has been made in delivering the recommendations of the Council on 23 March 2015**

*Notes*

**1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy**

- 1.1 The Council has a Key Priority of Managing Resources. This includes managing staffing resources which are the Council's single biggest spend. The Council's Core Values including Valuing Staff, Value for Money and Continuous Improvement. The Decision Making Accountability Review was commissioned to support the Council in meeting this Key Priority and Core Values.

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### 2 Background

- 2.1 To meet the continuing service and financial challenges of the future, and address issues raised by the 2013 staff survey, the Chief Executive commissioned a fundamental review of the organisation of the officer decision-making element within the Council, in the autumn of 2014. To ensure appropriate expertise and objectivity was applied to the structure review, the Local Government Association and their organisational design consultants, Stanton Marris, were engaged to undertake a 'Layers and Spans' analysis of the existing structure and to evaluate revised structure proposals.
- 2.2 Layers and Spans analysis is a technique that was pioneered by Stanton Marris and is widely used throughout the private sector and increasingly in the public sector. It assesses the design of the organisation to ensure there are no unnecessary layers of management; that spans of control (ie the numbers of people reporting to a manager) are neither too wide nor too narrow and the accountability and decision-making sits at the appropriate level in the organisation.
- 2.3 On 23 March 2015 the Council agreed a new senior management structure for the Council based on the LGA recommendations. It was noted that the LGA would carry out a light touch review of the new arrangements in 18-24 months of them coming into effect. However, it was also noted that the Chief Executive would wish to undertake an internal review within at least 6 months of implementation. In putting in place the new, flatter management structure, it was noted that it was intended to carry out work around leadership and team development with the new Leadership Team and to do further review work with the LGA in relation to the widely used practice of using agency staff.
- 2.4 This report is a six month follow up as indicated in the original report and details the progress made in a number of areas and ongoing work in other areas.

### 3 Leadership Team

- 3.1 Building a new senior Leadership Team with the skills and culture to develop and deliver the 2016-2020 Corporate Plan Priorities.
- 3.2 Actions
  - Establish a new Leadership Team to replace Corporate Management Board and Corporate Management Team
  - Appointment of Head of Housing & Environmental Services; Head of Community & Wellbeing and Head of Human Resources & Organisational Development.

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- Develop and deliver skills development package with and for new Leadership Team to include a Talent Dynamics Assessment, team and individual coaching and mentoring, 360° appraisal and various non-vocational courses as required.

#### **4 Progress to September 2015**

- 4.1 A Leadership Team comprising all Heads of Service together with the Director of Finance & Resources and Chief Executive is now well established. It has been meeting fortnightly since April.
- 4.2 A new Head of Housing & Environmental Services has been appointed and integrated into the Leadership Team. That Head of Service has been prioritising Homelessness reduction and the rebuilding of team confidence.
- 4.3 The post of Head of Community & Wellbeing remains vacant pending resolution of the Council's current financial situation.
- 4.4 In order to address some concerns identified in the DMA review and in order to increase capacity within the Leadership Team, a new post of Head of HR and Organisational Development has been created and the HR Manager post made redundant. The then HR Manager has been successfully assimilated into the new role. The addition of Organisational Development to the role addresses an area identified by the LGA and the Chief Executive to the need for a culture change within the Council. The Organisational Development element of the role is designed to develop strategic initiatives and action plans to support the Leadership Team and the organisation in achieving change, to optimise effectiveness and achieve the Council's Key Priorities. The postholder had been specifically tasked to design intervention which will drive the appropriate culture, behaviours, skills and performance and provide insight and leadership on change management, planning and implementation.
- 4.5 An additional part time HR administrative support post has also been agreed and successfully recruited to, funded from £60k that the Council agreed be retained from savings resulting from the restructure. These roles add resilience and capacity to a stretched HR team and a developing Leadership Team.
- 4.6 Various pieces of work have been undertaken with the Leadership Team including a 'Talent Dynamics' assessment of the Team's characteristics and strengths. Analysis indicates that the new Team is now well balanced with no significant skills gaps. Further development on strengthening a 'one team' approach, designed to encourage greater collaborative working is ongoing through a bespoke programme designed by the Leadership Team and supported and delivered by an external coach with extensive local government experience at senior level.
- 4.7 Support has also been received from the LGA and independent speakers in developing Political Skills, and further work with the LGA, who have been very supportive, is ongoing.

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4.8 Other areas identified for improvement include Procurement, Programme and Project Management.

#### 4.9 Corporate Groups

There are a number of areas where closer collaborative working is expected to be beneficial in delivering Key Priorities. Officer working groups have been established dealing with Property; Procurement; Corporate Governance; ICT and Economic Vitality and are starting to meet regularly. Each group has developed its Terms of Reference and an Action Plan. The delivery of Action Plans will be monitored by the Chief Executive and the Director of Finance & Resources as part of the new Performance Management regime.

## **5 Establishing the Golden Thread**

5.1 This is a powerful tool linking Key Priorities to appraisal targets to engage staff and ensure everyone is working towards the same outcomes.

5.2 The Council's Vision: 'To make Epsom and Ewell an Excellent Place to Live and Work' was agreed four years ago. It is generally well understood and felt to be sound going forward.

5.3 Over the next four years the Council will need to focus on a smaller number of very clear Key Priorities. These must reflect the 'day job' and be deliverable to support that clarity of purpose. Key Priorities will need to be agreed with Members, staff and public, and there are a number of ways to do this, eg. focus groups of Citizens' Panel, Staff Forums and Member Workshops with the new Council post May 2015. It is not expected that Priorities will have changed significantly since the 'youchoose' exercise in 2011, although as a key financial pressure, Homelessness has assumed greater significance in the Council's financial and delivery planning.

5.4 Clear Key Priorities for the Council need to be reflected in clear appraisal objectives for Officers. These must be cascaded from the top down, through the organisation, so that individual officers can understand how their work contributes to the Key Priorities of the Council.

#### 5.5 Actions

Develop new Four Year Corporate Plan 2016-2020 and new Four Year Medium Term Financial Strategy setting out Key Priorities for the Council and proposed funding. The Chief Executive will set SMART appraisal targets linked to the Key Priorities. These will be cascaded through the Leadership Team and into the rest of the organisation.

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#### **6 Progress as at September 2015**

- 6.1 Initial work has taken place on drafting Key Priorities with Heads of Service. Clear links to performance management are emerging and principles of performance management have been agreed. Further work is scheduled with Committee Chairmen and Officers and Members to establish a meaningful and sustainable performance management reporting mechanism to Committees and the Leadership Team.
- 6.2 Head of Service appraisal targets have been linked to the Chief Executive and Director of Finance & Resources appraisal targets and are being cascaded throughout the organisation. For the first time ever, Head of Service appraisal targets are linked to senior officer targets and are consistent with, and linked to, each other to encourage collaborative working.
- 6.3 Work in relation to the development of the next Four Year Corporate Plan and performance management regime is ongoing.
- 6.4 Further Review

One of the recommendations of the LGA was a further 'light touch' review of how the new arrangements are functioning within 12-18 months of implementation. This would be welcome and it is suggested that such a review be commissioned to take place in autumn 2016.

It has also been suggested by the LGA that the Council may wish to engage in a Peer Challenge Review in the not too distant future. This is currently a voluntary undertaking, although there has been recent speculation that such reviews may become mandatory. At present the LGA do not charge to facilitate such reviews and it is a suggestion that Members may be asked to give further consideration to.

The workstreams to support the MTFs are well underway with the Star Chambers and Service Reviews due to conclude next months.

#### **7 Financial and Manpower Implications**

- 7.1 The Council agreed on 23 March 2015 that £60k of the identified salary savings generated from the implementation of the recommendations could be retained within the budget for 2015/16 and 2016/17 and used to add capacity within areas of the organisation that the LGA had identified as requiring strengthening and whilst the new management arrangements settled down.
- 7.2 The retained sum has been fully committed for this year in the following areas:
- Upgrade of HR Manager post to Head of HR & Organisational Development
  - New part time, fixed term administrative support post for HR.

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- Society of ICT Managers Audit of IT applications, to ascertain whether the IT arrangements currently in place are fit for purpose.
- Procurement Healthcheck (to establish were practice and process could be strengthened)
- Contribution to fixed term Planning Manager role to support future planning development work around the new Core Strategy
- Fixed term support post for Homelessness

7.3 **Chief Finance Officer's comments:** The DMA report received by Council on 23 March 2015 identified net revenue savings should be made in 2015/16 of £175k as a result of the senior management restructure. The Council can expect to achieve these savings. Currently £55,000 of the £60,000 has been spent as outlined in section 7.2 above. Management development costs have been met from within existing budgets. The cost of a further light touch review by the LGA will need to be ascertained but is likely to be low.

**8 Legal Implications (including implications for matters relating to equality)**

8.1 None for the purposes of this report.

**9 Sustainability Policy and Community Safety Implications**

9.1 None for the purposes of this report.

**10 Partnerships**

10.1 None for the purposes of this report

**11 Risk Assessment**

11.1 A strong well balanced Leadership Team with the right skill set and mix is essential to setting a clear direction for high performance staff to deliver the Council's Key Priorities in accordance with the Council's Core Values. It is good practice to review the operation of the senior Leadership Team from time to time.

**12 Conclusion and Recommendations**

12.1 It is recommended that the Committee notes progress to date and endorses the approach being taken.

**WARD(S) AFFECTED: N/A**