

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Chief Executive	Report Number: R23
To: Strategy Committee Executive Committee	Date of meeting: 9 July 2015 13 July 2015

BUILDING OUR LEADERSHIP AND MANAGEMENT CAPACITY

1 Purpose of Report

- 1.1 This report presents the Chief Executive's proposals for a focused review of the current management arrangements.

2 Recommendation to Strategy and Executive Committees

- 2.1 That the Chief Executive as Head of Paid Service should conduct a focused review of the integrated management of both Councils in consultation with the Leaders of both Councils.
- 2.2 To note that any decisions that may not be taken by the Chief Executive as a consequence of this review will be referred to the appropriate body for decision in accordance with the Council's legal or constitutional requirements.
- 2.3 That the principles and objectives of the focused review be noted.
- The Committee is able to resolve these matters.

3 Financial Implications

- 3.1 Subject to one-off transition costs, any changes will be cost neutral or better. There will be a reduction in the use of interim or agency capacity which will reduce spending of our one-off resources. One-off transition costs will be met from the Transformation Fund and subject to the usual approval regime.

4 Background

- 4.1 Over the last four years, both Councils have changed significantly. The workforce has been fully integrated across the two Councils and the senior management team, corporate management cohort and every operational delivery team has been restructured.
- 4.2 This structural re-design has been paralleled by change in our approach to leadership and management to enable the workforce to function effectively with less management capacity, to adapt to a rapidly changing agenda, to be more flexible and able to work in new ways.
- 4.3 Alongside this change, Councillors have worked with officers to develop a clear strategic focus on outcomes they wish to achieve with their communities in both Districts. There is a joint strategic plan and a significant delivery programme of work is underway.

5 The Proposals

- 5.1 Following the election in May 2015, we have two new Councils both of which are now led by a Conservative administration. The joint Strategic Plan will be refreshed over coming months, and the budget and our resources will be better aligned to the priorities in the plan as we progress through the planning for the budget for 2016-17 and beyond. It is clear that the pace of delivery needs to increase, efficiencies still need to be achieved and resources need to be optimised to maximise our impact on outcomes for communities. This is a big challenge.
- 5.2 The capacity and capability of our leadership and management team at all levels has developed significantly since 2011. Many colleagues have worked and continue to strive to develop the new skills and behaviours needed to be successful. As a consequence we are functioning differently and are better placed to respond to current challenges as a result.
- 5.3 The focus of the management team remains balanced across the following needs:
- 5.3.1 Responding locally to Government initiatives - targeted grant regimes, integrated public services, growth of economy and housing supply and strong and resilient communities
- 5.3.2 Focusing on both Councils' key strategic priorities defined in the joint Strategic plan and to up the pace of delivery
- 5.3.3 Driving out further efficiency, to make our organisation fit for purpose, and our services more effective and to continuously strive to improve our operational performance
- 5.3.4 Continuing to deliver core services on which our communities rely with less core revenue funding.
- 5.4 The context is now changing again with a newly elected Conservative Government; its devolution agenda and Suffolk Leaders' ambition to make the whole public service in Suffolk work as one, with a relentless focus on achieving what's best for Suffolk people and its places; means that the demands on managers and leaders is changing yet again.
- 5.5 As a consequence, it is apparent that our current management arrangements need to be looked at again. So it is proposed that the Chief Executive carries out a focused review in accordance with the following principles.

6 The Focused Review Principles

- 6.1 Throughout the development of the new integrated workforce, our aim has been to develop the skills of our existing workforce and to develop the ability of all managers to be highly effective in the changed organisation. We are committed to growing our own talent. This has largely been successful but we do remain dependent on supplementing our permanent workforce with interim capacity.

- 6.2 Our interim dependency arises from a mixture of a lack of specialist skills, less than fully effective management and/or leadership, the need for extra capacity to support new and different projects and vacancies which we have purposely not filled permanently to create some flexibility. As we lose permanent core revenue funding and generate more one-off or temporary funding streams, it is inevitable that we will need to commission specialist and additional capacity to deliver one-off projects. However, our aim should be to create that capacity within our permanent workforce so that we can deploy our own resources flexibly without incurring the added expense of buying that capacity on an ad hoc basis.
- 6.3 It is also clear from our own reflections and learning, and from cross sector research that new skills and a different approach is needed for success as we move to more and more integrated local public services focused on delivering key outcomes. Many of our leaders and managers have reflected on this, learnt that they need to change and develop new skills and have embraced the learning opportunities. Most are flourishing and will be supported to continue to do so.
- 6.4 However, there are now some key questions to be addressed which may result in some focused changes to our current management and leadership arrangements:
- 6.4.1 Do we have enough of the right type of talent and skills in the right roles using the right approach to leadership and management that will deliver what is now required?
- 6.4.2 Are we deploying, leading and supporting the talent we do have at every level in the organisation as effectively as we need to?
- 6.4.3 Is our management structure aligned to our Medium Term Financial Strategy and Joint Strategic Plan - with the flexible and adaptable style that enables us to target our resources on key priorities in a highly dynamic context?
- 6.4.4 Do we have the right core management capacity to focus on and respond in a balanced way to the four issues for management outlined above?
- 6.5 In answering these important questions, the focused review will reflect the following principles:
- 6.5.1 Striking a balance between the requirement for a strong core management and leadership team and the flexibility needed to respond to the changing context and deliver specific one off projects requiring high level expertise.
- 6.5.2 Rewarding the commitment and proven ability to develop shown by many of our managers and leaders and continue to support our "grow our own" ambition where appropriate.
- 6.5.3 Continuing to support personal development of all staff throughout coaching and performance management conversations approach.
- 6.5.4 Seeking to reduce our dependence on interim capacity used other than for short term (less than 6 month) assignments.
- 6.5.5 Targeting to be cost neutral or better in the medium term - recognising there may be transition costs in the short term.

- 6.5.6 Reflecting robust organisational design principles and the review should be supported with organisational development expertise.
- 6.5.7 Cognisant of management structures and system design developing across Suffolk public services and seek to facilitate effective integrated working.
- 6.5.8 Aiming to redeploy existing staff where that is appropriate.
- 6.6 As with previous reviews, all obligations as a fair and reasonable employer will be met. We will be working closely with our Union colleagues and will be engaging with all staff to secure a full understanding and commitment to make any proposed changes work effectively.

7 Legal Implications

- 7.1 Independent expert legal advisors have been appointed to support the focused review as necessary and the new Monitoring Officer will provide or commission advice to ensure full compliance with all legal and procedural requirements.
- 7.2 Following the conclusion of the focused review and the implementation of any changes, the Chief Executive will report to full Council on any matters required by statute.

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