

SENIOR MANAGEMENT REVIEW



To: Leader of the Council

Relevant Scrutiny Committee: Strategy and Resources, 30/01/2023

Report by: Robert Pollock, Chief Executive Officer,
robert.pollock@cambridge.gov.uk

Wards affected: N/A

1. Introduction

- 1.1 The Chief Executive is reorganising the senior management of the Council and has been consulting staff. The Senior Management Review proposals are integral to the Council's transformation programme - Our Cambridge. This report provides the scrutiny committee with an overview of the consultation feedback and revisions to the proposals.
- 1.2 The foreword to the consultation is at Annex A. The consultation document is a separate attachment. The key elements of the proposals include:
 - Re-arranging the management of council teams into five groups to create a flatter structure, improve collaboration, and increase efficiency.
 - Reducing the cost of senior management by 20 per cent through a reduction in the number of posts
 - Achieving around £0.3m net savings per annum once the new structure is fully implemented.
- 1.2 The Civic Affairs Committee will consider changes to the senior officer pay structure on 8 Feb 2023 which implement aspects of the proposals. The Employment (Senior Officer) Committee is responsible for recommending severance packages over £100k to Council.

2. Recommendations

- 2.1 The scrutiny committee is invited to endorse the following recommendations which will be put to Full Council on 2 March 2023.
- 2.2 **That the Council approves the restructuring proposals set out in this report:**
- a) **the deletion of the following posts at Director level: Director of Communities and Neighbourhoods; and Director Enterprise and Sustainable Development; and**
 - b) **the creation of the following new posts at Director level: Director, Communities; Director, City Services; Chief Operating Officer.**
 - c) **the deletion of the following posts at Head of Service level:**
 - Head of Commercial Services
 - Head of Community Services
 - Head of Corporate Strategy / Assistant Chief Executive
 - Head of Environmental Services
 - Head of Housing Maintenance and Assets
 - Head of Housing Services
 - Head of Human Resources
 - Head of Property Services
 - Head of Transformation
 - d) **the creation of the following new posts at Assistant Director level, which will be composed of 2 levels:**
 - Assets and Property (AD2)
 - Assistant Chief Executive (AD2)
 - Housing and Homelessness (AD1)
 - e) **to note that the following posts will be subject to slotting-in arrangements with new post titles:**
 - Head of Finance to Chief Finance Officer (AD1)
 - Head of Housing Development Agency to Assistant Director, Development (AD1)
 - f) **the creation of a new Head of People and a Head of Transformation on 2-year Fixed Term contracts at Band 11, while future leadership arrangements for 'Transformation, Digital and HR' are considered.**

- g) that the Chief Executive is given delegated powers to take all steps necessary to implement the new structure (other than those delegated to the ESOC) including final determination of the Council's staffing structure below Director level, and
- H) where specific changes to the Constitution are required the Chief Executive and Monitoring Officer should make such changes, in consultation with the Leader of the Council and Executive Councillor for Finance, Transformation and Resources.

3.4 That the Council notes:

- h) the Head of 3C Shared Legal Services (Head of Service) and Council's Monitoring Officer becomes an Assistant Director grade (AD1) in the new grade structure.
- i) the Head of Building Control (Head of Service) post will be reviewed once the Greater Cambridge Shared Planning Service management restructure has been fully implemented.
- j) changes proposed to the senior officer Leadership Behaviours following feedback from the consultation (see Annex B).
- k) that the transitional Group structure will provide staff with certainty about line management arrangements and are a starting point for each Group organisational redesign (Annex C).

3. Background

- 3.1 The consultation proposals, which take forward recommendations agreed following the Strategy and Resource Scrutiny Committee on 10 October, were discussed and endorsed by the Employment (Senior Officer) Committee on 3rd November.
- 3.2 A copy of the consultation document was sent to all members on 14 November 2022.
- 3.3 All staff were given the opportunity to comment on the document. It has been viewed 1,400 times on the council's intranet site. Around 45 responses were received during the consultation period from 10 November to 10 December 2022. In addition:

- senior staff directly affected each held one-to-one meetings with the Chief Executive,
- senior staff held confidential discussions with an independent HR advisor where requested,
- the Chief Executive held meetings with teams and other individuals as well as the unions, Unison and GMB,
- an all-staff presentation was held on 22 November 2022,
- a Frequently Asked Questions' document was published on the Council intranet to clarify questions received during the consultation,
- an all-staff briefing was held on 18 January 2023 to set out the response to the consultation feedback, and
- packs summarising the proposals were shared with Group Leaders and member briefings offered on the post-consultation revisions.

4. Consultation feedback

Summary

- 4.1 There was strong support for the key aims of the proposals. Bringing together teams into 5 coherent groupings is seen as a positive step and the right direction for the Council to improve outcomes, reduce duplication and help achieve savings targets. Other areas which received broad and positive endorsement were:
- the proposed leadership behaviours,
 - emphasis on collaboration across teams and with partners, and
 - a more empowering culture for staff.
- 4.2. Some respondents stressed the importance of developing the Council's capability to make better use of emerging digital technologies, including AI, to automate tasks and improve transactional engagement with residents, as well as improving our capability to manage and analyze data to provide insights for managers, members, the public and businesses.
- 4.3 Though the proposals focus on changes to the senior management structure much of the feedback received related to the location of teams in the proposed group structure. Some has been acted on. Some will inform the subsequent, design and configuration of Group structures, which will begin once the new senior management team is in place.

Thematic feedback

- 4.5 **Groups:** there was strong endorsement for a flatter structure and more coherent groupings of teams around shared activity and purpose. Some specific questions about Group line-management arrangements were received. There were a few suggestions to change Group names (e.g., Assets and Development to 'Place'), and two proposals advocating 4 Group structures and two advocating variations of the 5 Group model.
- 4.6 **New Leadership Qualities:** were very positively received at all levels, in particular the emphasis on senior leaders to coach, develop and support staff to succeed. Helpful suggestions were made to strengthen proposed language on diversity, transformation, partnerships, and resilience.
- 4.7 **Savings & number of posts:** several responses called for the proposals to further reduce the number of senior posts.
- 4.8 **Senior Grades:** the need to create a new Assistant Director (AD) grade to breach the current gap between Head of Service (HoS) and Director in was acknowledged and welcomed. A few respondents commented that retaining the Head of Service title/grade would be a retrograde step, and that three distinct grades (Director, AD and HoS) may add complexity.
- 4.9 **Teams:** the majority of feedback from staff that are not 'at risk' expressed views on where specific teams should or shouldn't sit in the new Group structure. Some of this feedback was similar, though some was contradictory and reflected individual or team preferences. The main teams noted were the Benefits Team, Housing Strategy, Business & Executive Support, Communications, Environment & Public Health, City Events & Culture, Grants, Health & Safety, Cambs Home Improvement Agency, and Development (Street and Open Spaces).
- 4.10 **Corporate Management Team:** there was limited but strongly positive feedback about creating a more inclusive approach to corporate management involving team leaders and other key managers. This proposal would build on practice developed during the pandemic.
- 4.11 **Governance & Member relationships:** several respondents stressed the importance of reviewing of Council's governance arrangements and member-officer relationships to complement the restructure. It was suggested that this would enable more effective ways of working, help to streamline decision making and support a more empowered council culture to attract and retain the best staff.

4.12 **Process:** there has been consistent feedback, particularly from those directly affected, that the constitutional arrangements to change senior management structures are complex and lengthy. This has pros and cons. It does not enable timely change to reduce uncertainty for staff, but it does allow staff affected an extensive period to fully consider their options.

4.13 **Workload/resources:** a few respondents questioned whether their workload would increase with senior fewer managers. On the other hand, some pointed out that reducing management layers would speed up decision making and empower team leaders. Several respondents noted that in addition to working more productively the Council would need to do less and consider stopping some services to balance its budget.

5. Key changes and clarifications in response to feedback

5.1 **Groups:** Three, four and alternative five Groups structures have previously been considered. The five-group structure creates a flatter structure and reduces hierarchy. It enables greater leadership resilience as each Group would have a deputy, more clearly defined Group purpose and facilitates collaboration across Groups. However, a four Group model may be a viable option to consider in time subject to the wider operational and financial context.

5.2 **Group purpose:** The consultation feedback has helped to strengthen the core purpose of each Group. These remain largely as defined in the consultation document (pages 12-15). The 'Assets and Development Group' has been renamed 'Place Group' and the 'Strategy, Climate and Inclusive Economy Group' renamed 'Democracy, Inclusive Economy and Climate' Group.

5.3 **Senior Grades:** The revised proposals recommend extending the proposed Assistant-Director (AD) grade. As a result, there would no longer be a Head of Service grade (HoS). Within the broader AD pay-band a 'bar' would create two 'levels'. Those ADs leading a Group would have greater responsibilities and would be above the bar (AD2). Those below the bar (AD1) would report to a Director. Details will be set out in the Pay Policy statement which will be considered by Civic Affairs on 8 February. Annex D describes the distinction between the two Assistant Director levels.

5.4 **Leadership Behaviours:** based on the helpful suggestions provided there are some drafting improvements to the proposals. The key challenge for the new management team will be to model these behaviours. Successful

staff would have an opportunity to reflect on feedback received from behavioural assessments undertaken during the selection process as part of a subsequent leadership development programme.

- 5.5 **Group management:** it is important to emphasise that the proposals are a starting point rather than the final destination. Successfully appointed Directors and ADs will need to develop a management structure that best suits their group purpose, activities and teams. To support the restructuring of group management around £50,000 will be set aside from the SMR gross annual savings.
- 5.6 **Transition:** The transitional group structure (Annex C) provides teams with certainty about immediate line management arrangements. Once appointed, Directors and ADs will be expected to support and influence the redesign workstreams which will help develop and refine Group portfolios. The planning stage has already begun for the City Services Group, and will begin for the Corporate Group in April, then other groups.
- 5.7 **Teams:** based on feedback and follow-up conversations some changes are proposed to the teams that should make up the five groups. These suggestions have been welcome. They have strengthened the proposals and stimulated healthy debate about the ultimate purpose of specific teams and how they interact with other teams to add value. The next phase of deeper organisational redesign will provide additional insights on the most appropriate location for teams, including how they are structured. This may lead to some teams or individuals moving Groups.
- 5.8 **Savings / Number of posts:** The current proposals would reduce the cost of senior management by around 20 per cent. This would put the City Council broadly in line with comparable councils of similar relative size and function (e.g. Oxford and Norwich). A further reduction may be necessary to consider in time subject to the council's financial position.

6. Staffing implications

- 6.1 The Council's constitution provides the Chief Executive (Head of Paid Service) with management responsibility for all officers and authority to determine the overall departmental structure of the Council, number and grade of officers required to discharge Council functions.
- 6.2 The current proposals concentrate on the director and head of service structure. As the number of posts at this level would reduce from 13 to 8

redundancies are expected. The costs associated with potential redundancies are anticipated to be between £0.5-£0.8m depending on the outcome of the recruitment process.

- 6.3 Additional support has been commissioned to help staff put at risk as a result of the proposals to consider their options.
- 6.4 To support a cohesive transition, a development programme will be introduced for the new Corporate Leadership Team once it is in place. To support managers in the new group structures a development programme will be introduced for the new Corporate Management Team. These will be commissioned externally.
- 6.5 If the proposed changes to posts and the organisation structure set out in this report are agreed at Council in March 2023 it will be necessary to amend the Council's Constitution and delegations to officers. The Chief Executive and Monitoring Officer (Head of Legal Services) should be given authority to make such changes, in consultation with the Leader of the Council and Executive Councillor for Finance, Transformation and Resources.

7. Wider Implications

a) Financial Implications

The savings, excluding redundancy costs, associated with implementing the new senior management structure have been based on average salaries. One off redundancy and pension strain costs will be met from reserves. The ESOC is required to recommend severance costs above £100k to Council.

b) Equality and Poverty Implications

An equality impact assessment has been undertaken for the Senior Management Review. Equality information by grade is reported annually to the Equalities Panel and is available on the Council's website.

c) Net Zero Carbon, Climate Change and Environmental Implications

The proposals in this report have no direct impacts but should enable the council to better organise and deliver on its net-zero, climate change and environmental aspirations and commitments.

d) Procurement Implications

The proposals in this report have no procurement implications

e) Community Safety Implications

This report relates to senior management structures and does not impact directly on community safety matters.

8. Consultation and communication considerations

- 8.1 All staff and the trade unions, Unison and GMB, as well as local authority partners have been consulted on the proposals. The Employment (Senior Officer) Committee endorsed the proposals prior to consultation. All members have had the opportunity to respond to the consultation.

9. Background papers

Background papers used in the preparation of this report:

- Senior Management Review – consultation proposals, November 2022

Annex A – Consultation Foreword: Introduction from Chief Executive

Dear Colleagues

To live within our means, we need to consider the Council's leadership arrangements. Now that the direction of travel for the Our Cambridge transformation programme has been agreed and building on the 'Leadership for Change' task and finish group, I am now able to set out draft proposals. Leaders of shared services are not included. There may be scope to revisit this in future with our partners. A summary is provided below, and the rest of the document sets out the proposals and process in more detail.

Refreshing our leadership arrangements is essential to complement and give shape to the wider organisational redesign of the council and to support our elected members to navigate increasing complexity in local government. Our current management structures largely reflect proposals set out in 2010. These have developed incrementally through the introduction of shared services and creation of the CPCA and GCP. We now have a relatively large and hierarchical senior team orientated toward service delivery rather than shared corporate outcomes and leadership for the whole Council.

The City Council adapted admirably to the challenges posed by Brexit and a global pandemic. These systemic disruptions forced us to do things differently and at pace. We need to build the lessons learnt into the way we organise ourselves in future so that a more resilient, partnership orientated, and agile culture becomes the norm. There are significant opportunities to engage more effectively with our public, business and community sector partners so we can deliver the best outcomes for Cambridge residents with the resources we have available.

Recent market turbulence in response to government policy has made our medium-term financial challenge even greater. It is vital we now follow through on plans agreed by the Executive to reduce spending by at least £5m over the next two to three years. In addition to supporting a more collaborative and empowering leadership culture, the senior management restructure needs to make an important contribution towards our financial sustainability.

The key changes I am setting out in this consultation document can be summarised as follows:

- establishing five groups each led by a Director or Assistant Director;
- reducing the number of posts in scope of the restructure from 13 to 8 to release ~£0.36m gross savings, including the creation of a new two-year fixed term Head of People position (band 11) while future leadership arrangements for Transformation, Digital and HR are considered;
- setting aside up to £40k of the gross savings for the next phase of organisational redesign to enable new management opportunities for talented staff that want to step up, of which up to £15k specifically for a new City Services Group;
- support for all new leaders to succeed through a tailored development programme, and

- £0.32m net annual contribution towards our savings targets.

As a package these proposals will provide the council with a more clearly defined and sustainable leadership structure. Each of the new groups has a distinct corporate purpose. This will mark a shift away from a service-based ethos that has facilitated siloed thinking. The new structure necessitates collaboration across groups to deliver corporate outcomes and complements our shared services arrangements. It should also enable increased engagement with an improving Combined Authority, the County Council, and a more integrated, place-based NHS. The new structure has the flexibility to evolve over time as the operational and policy needs of the council and political priorities of members change.

Teams within groups will be more closely aligned around our corporate plan priorities. This reflects the insights that emerged from the organisational design workstreams (e.g., the ‘petal diagram’). Team leaders and senior managers will be empowered and have greater influence as there will be fewer management layers. That is an important step towards reducing ‘red tape, bureaucracy and process’ that staff identified as the top barrier to change through the ‘making it real’ feedback.

A smaller corporate leadership team will create new opportunities for managers during the second phase of our organisational redesign once the senior structure is resolved. New group leadership will want the opportunity to shape teams and structures in their reporting lines and establish relationships with complementary teams in other groups, as well as arrangements to better support members and strengthen partnerships with other key stakeholders.

Structures don’t change organisational culture, but they can enable and facilitate positive change. Purpose, pragmatism and people will make change successful, and the new corporate leadership team will need to lead the way. I will expect them to promote continuous improvement, demonstrate supportive and inclusive behaviours, a willingness to roll-up their sleeves as well as thinking and acting as system leaders in the interests of the whole council and city.

With a flatter, more agile and resilient organisational culture we will be better prepared for uncertainty, better able to overcome new challenges and take advantage of opportunities. However, I am open to feedback from individuals and teams in addition to those that are directly affected by the proposals. If you have views to improve these proposals, please share them via SMRfeedback@cambridge.gov.uk before the consultation closes at noon on 10th December 2022.

Finally, I recognise that any period of change can be unsettling, and I want to reassure you that I will take forward any changes as quickly as possible. Please also be mindful and respectful to those individuals whose current roles are more directly affected.

Yours sincerely,

Robert Pollock
Chief Executive

Appendix B – Leadership Behaviors for senior officer posts

- *Authentic* – A genuine, visible and inclusive leader who is focused on our people, taking time to understand and ensure we develop, motivate and understand the needs of others. Acts with humility, professionalism and able to coach and inspire people to be the best they can be
- *Outcome Driven* – Prioritises delivering the very best outcomes for our customers, residents and stakeholders. Empowers and challenges others to improve customer experience, streamlining processes, measuring impact and value for money, taking action to achieve better outcomes.
- *Empathetic collaborator* – Has a strong sense of purpose, acting with integrity. Builds relationships and networks, engages widely, and encourages groups to work, listen, learn, reflect, and deliver.
- *Influential* - Assertive and inspirational, with the confidence to challenge and persuade. Able to manage complex, contentious, and high-profile stakeholder engagement, displaying moral courage, diverse thinking and empathy for different perspectives to elicit buy-in from all.
- *Ambitious* – An energetic corporate leader, who leads by example and inspires trust across teams to prioritise the strategic direction, promote innovation, is future orientated and takes ownership for decisions.
- *Courageous* – Positive and solution focused, looking at information and insights in new ways, navigates complexity and advocates new approaches. Is resilient and comfortable making difficult decisions, and to ‘stretch’ themselves and their teams.

(*Yellow highlights denote changes to the initial proposals following consultation)

Annex C – Transitional Group structures

Communities Group Staff: ~220	City Services Group Staff: ~220	Place Group Staff: ~60	Corporate Group Staff: ~170	Democracy, Inclusive Economy & Climate Group Staff: ~90
Communities Director	City Services Director	Assets and Property (Assistant Director)	Chief Operating Officer (Director)	Assistant Chief Executive (Assistant Director)
Housing & Homelessness Assistant Director	<i>(Operational Management Team, tbd.)</i>	Development Assistant Director	Chief Financial Officer (S151, Assistant Director)	Shared Legal & Monitoring Officer (AD)

Transitional grouping of teams to provide line management continuity. Organisational design reviews beginning with City Services, then Corporate and Communities will clarify the most appropriate location of teams, team structures and management arrangements to complement Group activity and purpose.

Teams <ul style="list-style-type: none"> Community Development Strategic Projects Community Facilities Sports and Recreation Environmental & Public Health Housing & Homelessness <ul style="list-style-type: none"> City Homes Housing Advice Housing Support & Performance Community Safety 	Teams <ul style="list-style-type: none"> Operations (S&OS) Development (S&OS) Operations (Maintenance) Parking, inc CCTV Fleet Bereavement 	Teams <ul style="list-style-type: none"> Property Management Development Management (Commercial) Asset Management (Housing) Facilities Risk Assurance and Compliance Development <ul style="list-style-type: none"> Housing Development Agency Cambs Home Improvement Agency 	Teams <ul style="list-style-type: none"> Human Resources Customer Services Transformation Business & Executive Support Grants Communications Health and Safety Procurement Chief Finance Officer <ul style="list-style-type: none"> Accountancy Internal Audit Finance Support Services Revenues & Benefits 	Teams <ul style="list-style-type: none"> Democratic Services City Events & Cultural Services Strategy and Partnerships Urban Growth Housing Strategy Economic Development Region of Learning 3C Shared Legal & MO <ul style="list-style-type: none"> 3C Legal Team
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(*Yellow highlights denote teams that have changed group following consultation feedback)

Annex D – Assistant Director grade

Assistant Director (Level 2)	Assistant Director (Level 1)
Deputises for Chief Executive on relevant area / specifics	Deputises for Director and other corporate leaders as required to ensure directorate responsibilities are discharged
Member of Leadership Team	Invited to attend Leadership Team
Responsible for strategy, delivery, operational management and budget of more than two clusters of council business	Responsible for strategy, delivery, operational management and budget of one or two clusters of council business
Develop, influence and deliver corporate objectives and accountable for cross cutting work and driving corporate performance	Supports Director and other corporate leaders to develop and deliver corporate objectives, cross cutting work and corporate performance
Provides and delivers a clear vision and leadership for strategic clusters	Provides and delivers a clear vision and leadership for clusters of council business
Leads a cluster of services with over xxx staff or a budget of xxx	Leads a cluster of services with over xxx staff, and budget up to xxx
Provides professional guidance and knowledge on area of expertise (may require qualification)	
Line Manager for relevant operational / specific expertise functions	
Member liaison and support	