

Item No. 20.	Classification: Open	Date: 6 December 2022	Meeting Name: Cabinet
Report title:		Senior Management Update	
Ward(s) or groups affected:		N/A	
Cabinet Member:		Councillor Kieron Williams, Leader of the Council	

FOREWORD: COUNCILLOR KIERON WILLIAMS, LEADER OF THE COUNCIL

In September 2022, Cabinet agreed a new Council Delivery Plan, which is dedicated to creating a fairer, greener, safer Southwark for all the residents of our borough. From closing the gap in life chances to reducing carbon emissions, the goals in our plan are ambitious, but we can achieve them if we make sure we are all focused on their delivery.

That is why I welcome the Chief Executive's proposals to reorganise the council's senior management structure. The changes described in this report will ensure the council's officer leadership team is clearly aligned to the priorities and commitments set out in our Council Delivery Plan. In addition, these proposals establish the critical leadership capacity that is required to continue transforming how the council works, both internally and in collaboration with our partners and communities.

As Cabinet will be aware, the council faces significant financial pressures. Within this context, it is especially important to note that the number and cost of senior managers will not increase as a result of these changes, but instead deliver a saving. This report is about organising the council's senior management capacity differently, and to best effect, but not increasing what we spend on it.

These changes are rightly subject to consultation with affected employees and trade union representatives. Once the Chief Executive has finalised the senior management structure – taking into account all of the consultation feedback received – I am looking forward to seeing the impact of these changes, and continuing to work with the council's officer leadership team to drive forward our Council Delivery Plan at pace.

RECOMMENDATIONS

That Cabinet:

1. Notes the proposed reorganisation of the council's senior management structure, which includes proposals to delete five posts graded G18 and above, create five posts graded G18 and above, and reallocate functions between departments.
2. Notes these proposals are subject to consultation with affected employees and trade union representatives.
3. Delegates authority to the Chief Executive, as the council's head of paid service, to finalise and implement the proposed reorganisation, including the creation of any posts graded G18 and above, once the consultation period has closed and all consultation responses have been taken into account.
4. Notes the proposals in this report will be followed by proposals for a further phase of reorganisation, which will be developed by March 2023.

BACKGROUND INFORMATION

5. In September 2022, Cabinet agreed a new Council Delivery Plan, which describes how we will create a fairer, greener, safer Southwark for all the residents of our borough. This plan sets out the priorities and commitments we will focus on delivering over the period 2022 – 2026.

KEY ISSUES FOR CONSIDERATION

Rationale

6. A number of drivers have contributed to the rationale for reorganising the council's senior management structure. These are as follows:
 - Our new Council Delivery Plan: This sets out an ambitious programme of work for the next four years, including commitments to deliver thriving and sustainable neighbourhoods, build more council homes, and close the gap in life chances.
 - Our ambition to put communities and people power at the heart of everything we do: The council is committed to empowering residents to shape the places they live in and the services they receive. This is one of the highest priorities in our Council Delivery Plan.
 - We have agreed to create a new strategic leadership post shared with local health partners: In October 2022, Cabinet agreed the establishment of a new post reporting directly to the chief executives of both the council and the South East London Integrated Care Board. The purpose of this post, which will be jointly funded by the council and the Integrated Care Board, is to accelerate the integration of local health and social care services.

- Some corporate functions are dispersed across the council and the corporate centre needs to be rebuilt: This will help us to ensure we establish the necessary capacity to continue transforming how the council works, both internally and in collaboration with partners and communities.
- Our Strategic Director, Finance and Governance is leaving: After nearly two decades of service to Southwark, Duncan Whitfield has announced he will leave the council next year. This change has created a requirement to determine how a number of critical corporate functions should be led following Duncan's departure.

Organisational design principles

7. The proposed reorganisation of the senior management structure has been developed in line with the following principles:

- Senior management capacity should be aligned to the priorities and commitments set out in the Council Delivery Plan: This is the overriding consideration that has informed the proposed changes to the council's senior management structure.
- Common functions should be brought together: This creates critical mass, greater efficiency, and clearer accountability for delivery.
- Corporate services should be consolidated in the council's corporate centre: This will support the development of a more coherent portfolio of corporate services, which are better positioned to enable the council to achieve its goals.
- Statutory and professional roles should be clearly assigned to the most appropriate postholder: As a local authority, there are a range of statutory and professional roles it is essential we include within our organisational structure.
- The cost of senior management should not increase: We need to organise our senior management capacity differently, and to best effect, rather than spend more on it.

Scope of proposed changes

8. A comprehensive list of proposed changes is set out at **Appendix A**. Many of these changes represent amendments to reporting lines or titles. However, a total of five posts graded G18 and above are proposed for deletion, while a further five posts graded G18 and above are proposed for creation. For clarity, a list of posts proposed for deletion and creation is attached at **Appendix B**. Under these proposals, there is no increase in the number or cost of senior managers.

9. The most significant proposed changes and the rationale for each one are as follows:

i) Renaming the Environment and Leisure directorate, and transferring in the Director, Planning and Growth

Key changes

- Environment and Leisure directorate to be renamed Neighbourhoods and Growth
- Strategic Director, Environment and Leisure to be renamed Strategic Director, Neighbourhoods and Growth
- Director, Planning and Growth to transfer into the directorate and report to the Strategic Director

10. The Council Delivery Plan includes ambitious commitments to transform our borough and deliver thriving, sustainable neighbourhoods. We want to ensure that every part of Southwark is a great place to live, and everyone has all the essentials of life close to their home. The proposal to rename this directorate “Neighbourhoods and Growth” is intended to reflect the critical role its services will play in delivering on this aspect of our Council Delivery Plan.

11. The post of Director, Planning and Growth is currently located in the Chief Executive’s directorate and reports to the Chief Executive. However, there are important synergies between the remit of the director role and the focus of the proposed Neighbourhoods and Growth directorate. For this reason, it is proposed that the Director, Planning and Growth should transfer into the directorate and report to the Strategic Director, Neighbourhoods and Growth.

ii) Establishing a dedicated Housing directorate and transferring the “modernise” functions to the corporate centre

Key changes

- Housing and Modernisation directorate to be renamed Housing
- Strategic Director, Housing and Modernisation to be renamed Strategic Director, Housing
- Chief Digital and Technology Officer, Head of Corporate Facilities Management, and Head of Specialist Services to transfer out of the directorate and report to new line managers in the corporate centre

12. Housing is one of the council’s highest priorities. We directly manage over 55,000 homes, which are lived in by nearly 40% of Southwark residents, and our Council Delivery Plan includes commitments to build more council housing and deliver major improvements to our estates. Given the scale of this ambitious agenda, it is proposed to focus this directorate – and its senior management capacity – more fully on housing.

13. To facilitate this change, it is proposed that the Chief Digital and Technology Officer, the Head of Corporate Facilities Management, and the Head of Specialist Services (which has responsibility for elements of our core customer service offer) should all transfer out of Housing and Modernisation and report to new line managers in the corporate centre. These proposed changes also support the aim of creating a more coherent portfolio of corporate services, which are better positioned to enable the council to achieve its goals.

iii) Creating a new Finance directorate

Key changes

- Strategic Director, Finance and Governance will not be directly replaced
- A new Strategic Director, Finance to be created and report to the Chief Executive
- Director, Exchequer Services to be renamed Director, Customer and Exchequer Services

14. After nearly two decades of service to Southwark, Duncan Whitfield, our Strategic Director, Finance and Governance, has announced he will leave the council next year. His post will not be directly replaced; instead, it is proposed to create a new Strategic Director, Finance, who will be our statutory section 151 officer and lead the council's finance function. This post will also have responsibility for our procurement and customer service functions.
15. The post of Director, Exchequer Services currently holds responsibility for some, but not all, of the council's customer service functions, including our contact centre. It is proposed that this post should assume responsibility for additional customer service functions such as complaints and service points, and be renamed Director, Customer and Exchequer Services to more fully reflect the role's brief.

iv) Creating two new Assistant Chief Executive posts

Key changes

- Assistant Chief Executive – Strategy and Communities to be created and report to the Chief Executive
- Assistant Chief Executive – Governance and Assurance to be created and report to the Chief Executive

16. The proposal to create two Assistant Chief Executive posts is intended to strengthen the corporate centre through the establishment of two complementary senior leadership roles. Together, these posts will be responsible for ensuring that corporate functions effectively enable the organisation to achieve the priorities and commitments set out in the Council Delivery Plan. These posts, and the teams that report into them, will also have an important responsibility for continuing to transform how the council works, both internally and in collaboration with partners and communities.
17. The proposed post of Assistant Chief Executive – Strategy and Communities will be responsible for leading the council’s “strategic core”, which will play a critical role in translating corporate priorities into programmes, projects and tangible change across the council. The postholder will also be responsible for leading the development of Southwark 2030, a new shared vision for the borough created with residents and partners.
18. In addition to the line management responsibilities assigned to this post, the Assistant Chief Executive – Strategy and Communities will also provide strategic oversight of equality, diversity and community engagement. These functions are structurally located within the Communities division but have a vital cross-council remit and role, especially given our ambition to put communities and people power at the heart of everything we do.
19. The Assistant Chief Executive – Governance and Assurance will be our statutory monitoring officer and ensure the council’s corporate governance arrangements are strong, effective and compliant. This post will also lead a portfolio of corporate services includes Legal, Governance, HR and Organisational Development, Facilities Management and ICT.
20. To ensure there is sufficient senior management capacity to effectively lead these functions, a new Director of HR, FM and ICT will be created and report to the Assistant Chief Executive – Governance and Assurance. Together, the services in this directorate will have a strong focus on enabling the council to transform and achieve further efficiencies – in particular, through our use of technology and workplaces, as well as a programme of cultural change.

v) Creating a new senior leadership post shared with health partners

Key changes

- New strategic leadership post to be created and report directly to the chief executives of both the council and the Integrated Care Board
- Director, Commissioning to transfer out of Children and Adult Services and report to this new post

21. In October 2022, Cabinet agreed the establishment of a new strategic leadership post reporting directly to the chief executives of both the council

and the South East London Integrated Care Board. The purpose of this post, which will be jointly funded by the council and the Integrated Care Board, is to accelerate the integration of local health and social care services.

22. With the support of Partnership Southwark, the council and the Integrated Care Board are expected to jointly appoint to this role in 2023. Once a postholder is in place, it is proposed that the Director, Commissioning in Children and Adult Services should report to this new role.

Membership of the Corporate Management Team

23. The council's Corporate Management Team currently consists of the Chief Executive and four Strategic Directors, who are responsible for:
- Children and Adult Services
 - Environment and Leisure
 - Housing and Modernisation
 - Finance and Governance.
24. If the proposals set out in this report are agreed, the council's future Corporate Management Team will consist of the following posts:
- Strategic Director, Children and Adult Services
 - Strategic Director, Neighbourhoods and Growth
 - Strategic Director, Housing
 - Strategic Director, Finance
 - Assistant Chief Executive – Strategy and Communities
 - Assistant Chief Executive – Governance and Assurance
 - Senior leadership role shared with the Integrated Care Board – title to be confirmed.

Statutory and professional roles

25. As a local authority, there are a number of statutory and professional roles it is essential we include within our organisational structure. The purpose of the table below is to clarify where responsibility for statutory and professional roles will sit in the proposed senior management structure.

Statutory or professional role	Assigned to
Director, Adult Social Services	Strategic Director, Children and Adult Services
Director, Children's Services	Director, Children and Families
Director, Public Health	Director, Public Health
Director, Human Resources	Director, HR, FM and ICT
Data Protection Officer	Assistant Chief Executive – Governance and Assurance
Monitoring Officer	Assistant Chief Executive – Governance and Assurance

Statutory or professional role	Assigned to
Returning Officer	Chief Executive
Deputy Returning Officer	Assistant Chief Executive – Governance and Assurance
Section 151 Officer	Strategic Director, Finance

Second phase of reorganisation

26. The proposals in this report represent a first phase of reorganisation. Over the coming months, a second phase of proposed changes will be developed – in particular, to address the following priorities:

- Organisational design principles: The Corporate Management Team will identify where there are further opportunities to bring the council's organisational structure in line with the principles set out in this report.
- Current state analysis of corporate and strategic functions: The Assistant Chief Executive – Strategy and Communities will lead a programme of work to map and assess a range of corporate functions, including strategy and policy development, business intelligence and customer insight, and transformation, including programme, project and change management. The outcome of this work will inform the development of proposals for the future organisation of these functions.
- Approach to evaluating and remunerating senior management roles: The council is committed to undertaking a comprehensive pay and grading review. This work will include considering our approach to senior management roles and whether our existing framework appropriately accounts for the relative weight of different director posts.

Community, equalities (including socio-economic) and health impacts

27. Under section 149 of the Equality Act 2010, the council has a duty when exercising its functions to have due regard to:

- the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
- the need to advance equality of opportunity between persons who share protected characteristics and those who do not
- the need to foster good relations between those who have protected characteristics and those who do not

28. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
29. The Council Delivery Plan includes specific commitments that are focused on promoting equality of opportunity for residents with protected characteristics. The proposals set out in this report are intended to enhance the council's ability to achieve these commitments.
30. The implementation of the proposed reorganisation will be undertaken in line with the council's agreed HR policies and procedures, which have been designed to ensure compliance with all relevant legal requirements, including the public sector equality duty. Of the five posts proposed for deletion, three are occupied by substantive postholders. However, it is not appropriate to analyse and present the diversity data of these employees given the small number of colleagues involved.

Climate change implications

31. The Council Delivery Plan includes specific commitments that are focused on reducing carbon emissions and working with residents to tackle the climate emergency. The proposals set out in this report are intended to enhance the council's ability to achieve these commitments.

Resource implications

32. There are no specific resource implications arising from this report. The proposed reorganisation has been developed, and will be implemented, using existing council resources.

Legal implications

33. Under the council's constitution, the cabinet is responsible for making any decisions regarding the strategic management of the council, including decisions on major reorganisations, major reallocations of functions between departments or chief officers, and the creation of posts at grade G17 or above.
34. This report seeks the cabinet's agreement to delegate authority to the Chief Executive to finalise and implement the proposed reorganisation once the consultation period has closed and all consultation responses have been taken into account. Under the council's constitution, Cabinet may delegate this decision to a chief officer, which includes the Chief Executive.

Financial implications

35. It is anticipated that the proposed reorganisation will be cost neutral or deliver a small saving. New posts have been costed at the midpoint of the anticipated grade. The senior leadership role shared with health partners

will be jointly funded by the council and the South East London Integrated Care Board.

Human Resource implications, including consultation

36. The proposed reorganisation of the senior management structure is subject to consultation with affected employees and trade union representatives. A consultation period of 21 days commenced on Tuesday 22 November 2022 and will end on Tuesday 12 December 2022. Consultation is being undertaken with a view to reaching agreement on the proposed reorganisation and mitigating the impact on individuals.
37. Five posts are proposed for deletion, of which three are occupied by substantive postholders. In line with the commitments contained in the council's Reorganisation, Redeployment and Redundancy procedure, if these proposals are agreed, the council will seek to mitigate the impact on these individuals and, so far as it is possible, avoid the need for redundancies.
38. Many of the changes proposed as part of this reorganisation are amendments to reporting lines or titles. Under the council's Reorganisation, Redeployment and Redundancy procedure, changes of this nature are not ordinarily subject to formal consultation. However, on this occasion, employees who are affected by these changes have been advised they are welcome to participate in the consultation process.
39. This report seeks Cabinet agreement to delegate authority to the Chief Executive to finalise and implement the proposed reorganisation once the consultation period has closed and all consultation responses have been taken into account.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

40. This report asks the cabinet to note a proposed senior management reorganisation and seeks agreement to delegate responsibility for finalising the proposal, after appropriate consultation processes, to the Chief Executive as the head of paid service. Decisions regarding the strategic management of the council including decisions on major reorganisations and major reallocation of functions between departments or chief officers are executive decisions that are reserved to the cabinet under Part 3C of the constitution. Approval of the creation of posts at grade G17 and above is also a matter reserved to the cabinet. The cabinet is able to delegate the final decisions to the Chief Executive in accordance with its powers under the Local Government Act 2000.
41. The actual appointment of specific staff to posts is a non-executive function of the council delegated to the chief executive as the head of paid service and her staff in accordance with the departmental schemes of

management, subject to any specific provisions in the Officer Employment Rules, particularly regarding chief officers.

42. The proposed reorganisation is subject to a consultation process as set out in the report, in accordance with employment legislation. It is noted that all relevant employment law requirements will be followed in finalising the proposed structure.
43. The cabinet will need to ensure that it considers the public sector equality duty in section 149 of the Equality Act 2010 when making this decision, ie. the duty to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people with protected characteristics and others. Reference is made to this in the “Community, equalities (including socio-economic) and health impacts” section above.

Strategic Director of Finance and Governance

44. The Strategic Director of Finance and Governance notes the proposals within this report can be contained within existing revenue budgets. Any variations, whether positive or negative, arising from the deletion of posts or recruitment to new posts will be reported to Cabinet as part of the regular budget monitoring process. If the implementation process generates any one-off costs, these will be funded through the earmarked reserve for modernisation and operational service improvement.

REASON FOR URGENCY

45. This report sets out proposals for reorganising the council’s senior management structure. A decision on these proposals is required in December to ensure the proposed reorganisation can be finalised and implemented in line with the published reorganisation timetable. This will ensure the council’s senior management structure is aligned to the priorities and commitments contained in the Council Delivery Plan without undue delay; it will also mean that colleagues affected by the reorganisation receive confirmation of its personal impact in line with the timescales they are expecting.

REASON FOR LATENESS

46. It has not been possible to circulate this report five clear days in advance of the meeting. Consultation on the reorganisation proposal commenced on Tuesday 22 November. It was then necessary to hold a number of consultation meetings prior to publication of this report, and these meetings had not concluded by Monday 28 November when the agenda for December’s Cabinet meeting was published.

BACKGROUND DOCUMENTS

Background Document	Held by and Contact
None	N/A

APPENDICES

No.	Title
Appendix A	Senior Management Reorganisation Proposal
Appendix B	Posts Proposed to be Deleted and Posts Proposed to be Created

AUDIT TRAIL

Cabinet Member	Councillor Kieron Williams, Leader of the Council	
Lead Officer	Althea Loderick, Chief Executive	
Report Author	Ben Plant, Director of HR and Organisational Development	
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Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	2 December 2022	