

COUNTY COUNCIL – 13 DECEMBER 2016

SENIOR MANAGEMENT REVIEW

Report by County Director

BACKGROUND AND CONTEXT

1. The Senior Management Review (SMR) commenced in October 2015 following the departure of the then Chief Executive and the appointment of a new Head of Paid Service (later re-designated as County Director). At that time, we were already considering our succession arrangements for the County Council Management Team (CCMT) taking into account the age profile and individual plans of the then top team, and the Leader's desire to break down silo working.
2. We commissioned Penna to conduct a focused and objective review of our current structure and provide options for the future. Work undertaken included one to one meetings with each member of Extended County Council Management Team, in October/November 2015, canvassing Member opinions via an on-line survey in December 2015 and benchmarking with comparable organisations.
3. The work by Penna identified that the Council had highly capable senior professionals and that whilst there was a strong culture of silo working nevertheless there was also a significant appetite to work in a more collaborative way.
4. In February 2016 the four unitary council proposals by the City and District Councils required the SMR to be put on hold pending the outcome of the unitary debate and potential future shape of the council.
5. Many of the issues identified by the initial review have been taken forward during this time, particularly around the Council's future role and the direction the organisation should take. This has been driven by our thinking about the best structures for local government in Oxfordshire and the findings of the Grant Thornton and Price Waterhouse Cooper studies. We are now developing a proposal for a single unitary council for Oxfordshire. The management structure therefore must ensure quick decision making, flexibility and cross organisational working. Much of this work can also be applied to thinking about the role of the county council within the current two tier arrangements for local government.
6. Whilst the council's financial resources are likely to continue reducing we are building from a strong platform to be ambitious for the county. Oxfordshire is a place of many strengths, with a strong local economy and thriving local

communities. However there are areas of serious deprivation and a small but growing number of residents who need additional support.

7. We want the best for all our residents and will play an important role in enabling a truly thriving Oxfordshire. However we will not be able to deliver this vision without changing the way the council works. In particular we know that we need to focus on:
 - Facilitating and empowering residents and local communities to shape their own futures
 - Playing our part in driving economic growth and managing the pressures of this growth, in particular supporting the creation of jobs and homes for our future residents, while protecting the quality of life of Oxfordshire residents today
 - Supporting the most vulnerable people. That means helping older and disabled people live independent lives; making sure every child gets a good start in life, and protecting everyone from abuse and neglect.
8. In order to achieve this in the context of reducing resources we will need both a strong voice back to government to make Oxfordshire's case for investment loudly and clearly; and to forge new and strong partnerships locally, working with residents and communities as well as statutory and voluntary partners to deliver the best outcomes for our residents.
9. In order to ensure that the organisation itself is fit for the future we now have a robust transformation programme underway, this will improve the customer experience and enable us to be a more efficient and flexible organisation without cutting services.
10. The proposals set out in this report will provide the council with a strong framework for changing the way we work, and ensuring that our structure supports the outcomes we want for our residents and communities in Oxfordshire. There will be a much greater emphasis on a 'One Council' approach, on partnership working and on strongly driving the transformation programme to ensure that we are fit for the future.
11. It is now the right time to deliver the findings of the SMR. Our response to the unitary challenge confirmed that our structure and ways of working were not always flexible enough to meet residents' expectations and be able to best respond to need. The SMR process has been updated by the work the council has undertaken in recent months on the transformation of services and on the future of local government in Oxfordshire, including a unitary structure or structures.
12. The conclusions of the SMR have also been informed by the need to:
 - Build on the foundations that are already in place, with the numbers of senior managers reducing by 40 per cent since 2010;

- Enable the council to rapidly develop and put in place a new operating model. This will focus on how the council can most effectively support the aims of Efficient Public Services in the Corporate Plan. The new model will see the council become smaller, but more flexible and agile, as it works more smartly for and with Oxfordshire's communities.
- Ensure a stronger 'One Council' approach, driving and embedding new approaches across the organisation;
- Ensure that there is the flexibility to 'Think Unitary, Act Unitary' to meet the future needs of Oxfordshire residents;
- Achieve efficiencies and savings.

FINDINGS OF THE REVIEW

13. Penna's concluding report on this phase of the SMR can be found at Annex 1.
14. The current senior management structure is shown at Annex 2. The proposed new senior management structure can be found at Annex 3. Although still "drawn" as a traditional structure chart, the ways of working proposed deliver increased flexibility based on need at any particular time.
15. The key changes, and proposed approach are:
 1. Since the departure of the last Chief Executive the Council has been operating with a County Director who also fulfils the role of Head of Paid Service. It is proposed that that the title 'County Director' has served its purpose and that role should be re-designated as Chief Executive in the new structure.
 2. Director posts would be re-designated as Strategic Directors and reduced from 5 to 3. They would cover People, Communities and Resources. The Strategic Director for Resources post would be carried out by the Chief Executive, who will also take the lead on the transformation programme. These Strategic Director roles would focus on Council-wide, corporate responsibilities, problem solving and performance management; more than they would oversee service strategy and operational delivery.
 3. It is proposed that the existing Director of Public Health (DPH) assumes on an interim basis the Strategic Director for People role, while retaining his statutory DPH role.
 4. It is proposed that the existing Chief Legal Officer assumes on a permanent basis the Director of Law and Governance role, including the statutory role of Monitoring Officer.
 5. It is proposed that expressions of interest for the Strategic Director for Communities role are sought from the wider ECCMT grouping.
 6. The Deputy Director and Corporate Advisor posts that remain would be re-designated as Directors; unless there is a statutory element attached to the role of Director, in this case 'Head of' will be used. The statutory roles of Director for Children's Services and Director for Adult Services would sit at the Director level, reporting into the Strategic Director for People. Given the statutory nature of these roles we have already successfully appointed to

these posts in advance of the departures of the existing Director of Children, Education & Families and the Director for Adult Social Care.

7. Within Resources one post would be re-designated as Assistant Chief Executive. The main emphasis of this role is to provide strategic and policy support to the Chief Executive. This role is important given the breadth of change underway to deliver our ambitions for the council, the transformation agenda and because there will not be an additional person in the Strategic Director for Resources role.
16. Further details about which services could report to Strategic Directors are in Annex 4. These are indicative and subject to agreement with Strategic Directors.

FINANCIAL AND STAFF IMPLICATIONS

17. Where appropriate, we will look to fill posts in the structure on an “internal first” basis and the proposals save money. This proposed structure sees anticipated savings in the region of £450,000, in addition it preserves the £300,000 already saved by the departure of the previous Chief Executive. The proposed structure also avoids incurring the additional costs of a Director of Resources, c.£182,000, as the Chief Executive will cover this role.
18. After Strategic Directors are appointed work would start, using the principles in the Penna report at Annex 1 (para. 31) and with corporate support, to review structures and assess the third tier managers. There is an expectation that this level of management would reduce.
19. On the 14 July 2015 Peter Clark was appointed by Full Council as Head of Paid Service. On the 13 April 2016 the Peter Clark’s title was designated as County Director, as a temporary arrangement pending the outcome of the Senior Management Review. In order to make the role of County Director (now retitled Chief Executive) permanent a decision of Full Council is required in principle with a further ratification after consultation with Cabinet.

RECOMMENDATIONS

20. **The County Council is RECOMMENDED to:**
 - (a) note the progress made to date on the Senior Management Review;**
 - (b) endorse the Senior Management Review recommendations and proposed structure ;**
 - (c) agree in principle that the post of County Director should be made permanent and re-designated Chief Executive;**
 - (d) notify the Proper Officer of the Council’s intention to appoint Peter Clark as the Council’s Chief Executive on a permanent basis with a view at its next meeting to:**
 - **receiving the outcome of the Proper Officer’s consultation with members of the Cabinet on this proposal in accordance with Part 8.4(4) of the Council’s Constitution;**
 - **determining whether to proceed with the appointment;**

- (e) agree that pending those further decisions Peter Clark is appointed Interim Chief Executive.**

PETER CLARK

County Director

Contact Officer: Steve Munn, Chief HR Officer

December 2016