

DECISION OF:	Human Resources & Appeals Panel and Council Cabinet
DATE:	10th June 2020
SUBJECT:	Senior Management Capacity
REPORT FROM:	Cabinet Member for Corporate Affairs and HR, Councillor Tahir Rafiq
CONTACT OFFICER:	Geoff Little, Chief Executive
TYPE OF DECISION:	CABINET (KEY DECISION)
FREEDOM OF INFORMATION/STATUS:	Public
SUMMARY:	The Council and CCG agreed an integrated structure for the two organisations in January 2020, including an intention to include transformation capacity. This report sets out an update on recruitment to the agreed structure including leadership of the transformation programme.
OPTIONS & RECOMMENDED OPTION	<p>Cabinet is asked to endorse the recommendations as a basis to undertake a formal consultation exercise:</p> <ul style="list-style-type: none"> • One of the two Deputy Chief Finance Officer posts is reconfigured into Director Financial Transformation and Deputy Chief Finance Officer at Chief Officer Band H, for which additional costs will be met from transformation funding. • A Programme Manager is appointed at Chief Officer Band A with responsibility for the governance of the overall transformation programme. • Members thank Karen Dolton for her service to Bury Council and recruitment to the post of Executive Director Children and Young People is approved to commence immediately. • That the post of Assistant Director Education be deleted and replaced by a post of Director of Education with recruitment to commence on the appointment of the Executive Director Children and Young People. • To approve the long term secondment of an officer, with a remit to lead the implementation of the neighbourhood model including continuation of Community Hubs.

	<ul style="list-style-type: none"> • A new post of Assistant Director Public Service Reform at Chief Officer Band D is established and recruitment begins as a matter of urgency. • A new post of Executive Policy and Research Advisor is established.
IMPLICATIONS:	
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes No
Statement by the S151 Officer: Financial Implications and Risk Considerations:	<p>The additional annual cost of the proposal is £0.514m of which £0.130m is for a three year period. At this stage it is assumed that the cost of the Director of Education is cost neutral and can be contained within existing resources.</p> <p>It is proposed that the short term costs of £01.30m be met from the council's transformation reserves that was established as part of the 2020./21 budget setting process. The remaining £0.384m will be a first call on the corporate capacity budget that was included in the 2020/21 budget and was established on an ongoing basis. Whilst it is recognised the council faces significant financial challenges it was recognised that in order to deliver a transformed organisation and deliver savings in future years that capacity within the core of the organisation was needed. This proposal addresses some of this capacity issue.</p>
Equality/Diversity implications:	
Considered by Monitoring Officer:	<p>The Council has a wide discretion to create a senior manager structure to reflect the current needs of the Organisation, apart from the requirements to have certain statutory posts. The proposals within the report will require amendments to the delegation scheme within the Constitution, if approved. In addition the Council has various policies and procedures regarding recruitment and selection which should also be followed when these posts are recruited to, to ensure equality.</p>
Wards Affected:	ALL

Scrutiny Interest:	Overview and Scrutiny Committee
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1. Introduction

1.1. In January 2020 the Council’s Cabinet agreed structure proposals within which the Council and the CCG will operate as a partnership across the following departments and single commissioning function:

- The Department of Operations
- The Department of Corporate Core Services and Finance
- The Children and Young People’s department
- The Business Growth and Infrastructure Department
- The One Commissioning Organisation

1.2 In setting the budget for 2020/21 the Council approved the following investments in transformation:

- £1m revenue resourcing for critical mainstream capacity gaps, which were highlighted to include finance skills; policy/reform and ICT/Digital.
- A reserve to fund internal transformation in recognition of the outdated ICT infrastructure; legacy processes which are a barrier to efficiency and the delivery of the Council’s vision for the future. This also included a recognition of the need to invest in staff training and development.

1.3 Executive Directors were tasked with developing detailed structures for their departments, within established resources, which were to be subject to separate approval. Since then the management team structure for Operational Services has been approved by the HR and Appeals Panel on 27 February 2020. The structure of the One Commissioning Organisation has been approved and an Executive Director for Strategic Commissioning was appointed on 19 May 2020. Further proposals for the Corporate Core are included in this report. The structure of the Children and Young People’s Department requires no change at this time, other than appointments to the Executive Director and Assistant Director roles proposed in this report. Proposals for the structure of Business, Growth and Infrastructure Department will be brought to the next available HR and Appeals Panel. Proposals for the Corporate Core, including corporate communications, are planned for the July Committee cycle.

2. Background

2.1. Progress in implementing detailed structures and developing a formal transformation programme was temporarily halted because of the COVID-19 emergency. Furthermore, as a result of the emergency the Council now faces a number of urgent challenges including:

- Continuing to lead Bury through COVID-19 and delivering a recovery strategy that gets the Borough back on track with delivering our priorities for Bury 2030, which will continue to be the most significant challenge for the next year and probably beyond.
- The scale of recession, the impact on the future of Bury people and communities and the impact on the Council and CCG budgets will require an effective and resilient senior management team.
- As well as supporting the Council’s response to and recovery from COVID-19, the Executive Team will need to deliver the Council’s existing priorities

including the environmental strategy, protecting the vulnerable, Town Centre strategies, Radcliffe SRF, Town of Culture, the Housing Strategy, the Neighbourhood Asset Review and delivery of housing on Council owned land.

- In conjunction with local NHS leaders the Council will need to respond to the ongoing challenges of maintaining the capability of the Borough's health and social care system to cope with COVID-19 cases and to deliver substantial changes to local services through the recovery stage.

2.2. The emergency response has also been a catalyst for some transformed aspects of service delivery. A creative senior management team adept at managing change will be required to capture these aspects of the transformation and embed them in normal practice going forward. The opportunity to build back better will build on some of the recent key achievements:

- Partnership working between health and social care teams has been a key enabler of our response and validates the need for leadership to embed this within recovery.
- The swift establishment of Community Hubs and engagement of the Integrated Health and Care Neighbourhood Teams have been central to meeting the strategic objective to reduce transmission and proven the case for the neighbourhood model.
- The Council's Enterprise Agreement with Microsoft was implemented within a two week period and facilitated immediate remote working capabilities for all Councillors and staff.
- Payment of over 2000 business grants and implementation of local and national hardship arrangements for local residents has been achieved through the re-prioritisation of the work of the Revenues and Benefits team and the redeployment of staff into a new temporary Business Engagement team.

2.3. In the context of emerging thinking on the emergency recovery stage it is timely to return to capacity planning. This paper therefore sets out proposals for:

- recruitment to senior management vacancies in the Children and Young People's Department
- proposals for the transformation programme scope and capacity

2.4 As the proposals constitute a change to the Council staffing establishment, a period of formal consultation will take place in accordance with the Council's agreed policy and procedures.

3. Children and Young People Department

3.1 The **Executive Director of Children and Young People (DCS)**, Karen Dolton, has announced her intention to retire. Members are asked to thank Karen for her contribution over two spells at Bury Council and her leadership latterly as DCS over the last 3 years. It is proposed that recruitment for a successor begins immediately, within the following timetable:

- advertisement and executive search in June 2020.
- assessment during July 2020.
- appointment in August 2020 with the new post holder taking up post by November 2020 at the latest.

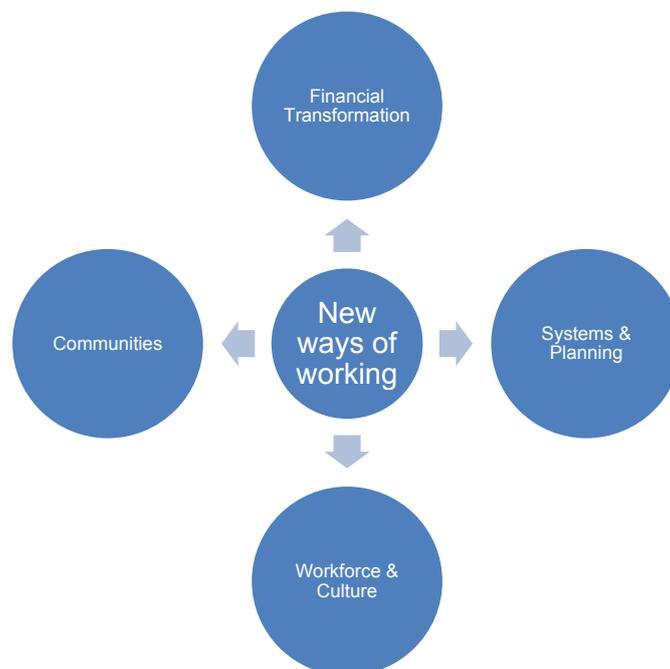
- 3.2 Karen Dolton has agreed to remain in post until an appointment is made.
- 3.3 The post of Assistant Director Education and Inclusion has been substantively vacant for some time and covered by an interim manager. The planned interim work is complete and improvements in education services have been reported, on the basis of Ofsted feedback and pupil attainment. It is therefore proposed that recruitment for a permanent post is progressed and a **Director of Education** is appointed as described below; the current interim manager will remain engaged until the new appointee takes up post:

- The post will be reconfigured to hold accountability for education services only. Responsibility for inclusion will move to the Assistant Director Early Help. The post will report to the Director of Children's Services on a day to day basis but to the Chief Executive direct for education strategy, which is why the post has been uplifted to Director status.
- The post will be advertised immediately once the new DCS has been appointed, in order that they may be involved. As such the process is scheduled to begin in August 2020.

Job descriptions for the Director and Executive Director post will be finalised by the Appointment Panel prior to recruitment commencing.

4 Proposed Transformation Capacity

- 4.1 Reports to the Human Resources and Appeals Panel and Cabinet during 2019 and most recently in January 2020 have been clear about the need to enhance corporate capacity to improve the quality of support services; enable delivery of savings plans and to provide the platform to meet Bury 2030 ambitions. This report has set out the specific additional challenges now faced as a result of the COVID emergency.
- 4.2 A multi-year transformation programme is required to respond to these challenges, to address priorities including strategies which relate to the use of resources; systems; internal processes; governance and culture. Meeting this scale of ambition will require a dedicated team with a balance of expertise as described below. The team will all report to the Deputy Chief Executive (Corporate Core) other than financial transformation which will be accountable to the Joint Chief Financial Officer as Section 151 officer but under the direction of the DCE for specific work identified in paragraph 4.3.6 below which is integral to the Council's internal transformation programme. The team has been designed as a mixture of employed, seconded and fixed term, contracted resource.



4.3 Financial Transformation

- 4.3.1 The Council and Bury CCG were facing budget pressures as we went into the COVID-19 crisis. The Council was already facing a £23m funding gap for the four years to March 2025 and the CCG was facing a gap of £44m for the same period. As we move from crisis towards recovery the position has become considerably worse. The Council is facing further COVID-19 related pressures of c£21m in the current financial year and both organisations have a lack of clarity on future financial settlements and frameworks at a time of unprecedented economic risk.
- 4.3.2 This challenge requires the strongest possible financial stewardship. The leadership structure for finance agreed in December 2019 includes a Joint CFO for the Council and the CCG and two Deputy CFOs. This structure is designed to provide experience and expertise in both Local Government and NHS financial management and to combine these skills to take full advantage of the single commissioning function under the SCB.
- 4.3.3 The combined management of the Council and CCG budgets has worked well under the Joint CFO appointed in June 2019. A recruitment campaign last year for the Council Deputy CFO post-was unsuccessful but the subsequent appointment of an interim Deputy CFO has brought new clarity and focus to the Council's budget.
- 4.3.4 There is now an urgent requirement to build on these strengths by filling the second Deputy CFO to provide capacity for the CCG budget and to appoint the current interim Deputy on a permanent basis and at the same time develop the role of that post to support the internal transformation of the Council.
- 4.3.5 A report will be brought to the HRA panel in the near future to complete the restructure of the finance function. The final structure will include skills across both Local Government and NHS finance systems and it will be managed as a whole to have maximum impact on the Borough's economic recovery from Covid-19 and reducing the costs of demand caused by health inequalities and

concentrations of deprivation.

4.3.6 It is also important to continue the internal transformation of the Council including building capacity for policy, public service reform, digital, organisational development and good governance. Improving internal financial systems is integral to the transformation programme and it is therefore proposed that the role of the Council Deputy CFO currently filled on an interim basis be deleted and replaced by the role of Director of Financial Transformation and Deputy CFO. The role will be a deputy to and accountable to the Joint CFO but will also have a reporting line to the Deputy Chief Executive (Corporate Core) for the following specific transformation objectives:

- corporate leadership and coordination of Council savings and investment plans as part of a new budget and business planning process ;
- further development of the capital strategy and capital gateway process which will be critical to the development of the borough;
- developing the Council's commercial strategy, including reviews of traded services

4.3.7. The new role will be advertised internally. It is proposed that the interim Deputy CFO is able to apply for the role on the basis of a proposed extension of the spirit of the Agency Workers Directive as the individual has been working in the Council for more than 12 weeks and was competitively assessed for the current role which is more than 60% comparable to the proposed new post.

4.3.8 The operational and strategic accountabilities of this role will make it an Executive Director Grade post at Band H (£116,161 to £126,989). The Director of Financial Transformation and Deputy CFO will be included in the Executive Management Team; formal and informal Cabinet meetings and will provide direct advice to the Chief Executive.

4.3.9 The majority of cost for this post is provided for within existing revenue budgets; the additional costs of the higher grade will be identified from transformation revenue funds.

4.3.10 The post will be subject to regular review as transformation activity progresses and in the context of the delivery of the Council's strategic financial plans. (The Job description is attached at appendix 1)

4.4 Communities: Neighbourhood Model and Community Hubs

4.4.1 A Programme Manager seconded to the Council since September 2019 has been leading on the establishment and leadership of the Community Hubs. It is recommended that this arrangement is extended for a 3 year period and the individual is given substantive responsibility as **Director of Communities** for the following:

- leadership of the neighbourhoods workstream within the COVID-19 response and recovery.
- the development of sustainable models for the Community Hubs, at the heart of a new neighbourhood model (see appendix 2).
- integrating the Community Hubs and the health and care integrated neighbourhood teams, other public services at neighbourhood level and wider volunteering and mutual aid organisations.

4.4.2 It is also recommended that a new post of **Assistant Director - Public Service Reform** is established. This post holder will report into the Chief Information Officer and be responsible for:

- taking forward the Bury 2030 strategy as an inextricable aspect of recovery planning, including the engagement of partners and development of system change methodologies and evaluation models.
- developing the “early help” component of the neighbourhood model, where all public services outside health will work together to share information as a basis for early intervention and targeted resources in complex casework.
- developing working relationships and engagement models across the three teams in each neighbourhood, across the borough, to ensure a single “voice” and delivery network for every place is developed.
- This post will then assume responsibility for community delivery at completion of the tenure of the Director of Communities.

4.4.3 The post has been evaluated at Chief Officer Band D and will be subject to external advertisement and competitive recruitment process. (Job description attached at appendix 3).

4.5 Systems and Planning

4.5.1 It is likely that some short term additional resources will be required to support existing leadership with the system and planning workstream of the outline transformation programme. Proposals for such capacity will be presented to the Human Resources and Appeals Panel when scoped. An indicative remit of the priorities for this workstream are proposed to include:

- Establishment of a single, streamlined approach for all internal processes across the Council and CCG.
- Development of skills, processes and IT infrastructure to enable joined up digital delivery across the Council and CCG.
- Optimising the functionality of current systems digital architecture to optimise use of current resources and contribute to the digital agenda.
- Ensuring the supporting governance structure is robust; integrated across the partnership and enables decision making which is consistent with Bury 2030 principles. To support this work a contractor has been commissioned with a specific remit to update the Council’s constitution and Scheme of Delegation and advise on the skills and development work required to update officer and Member skills accordingly.

4.6 Workforce and Culture

4.6.1 A critical focus within the transformation programme will be the skills and behaviours of our workforce. It is anticipated that a significant investment will be required over time in the leadership and management skills. Further proposals will follow once developed.

4.7 Governance and Support

4.7.1 It will be necessary to produce and manage an overarching programme plan for this work to ensure delivery plans are clear and performance managed; that investment is made on a business case basis and outcomes are tracked. A Programme Manager post is proposed to be appointed at Chief Officer Band A with responsibility for establishing and managing such governance. The

Programme Manager will report to the Chief Information Officer, as part of the Corporate Policy and Partnership function. The Job Description is appended at Appendix 4.

- 4.7.2 It is proposed to establish the post of Executive Policy and Research Advisor to support the Leader of the Council in the planning activity related to corporate strategy and priorities, together with supporting the Leader in his portfolio for the Greater Manchester Combined Authority. A job description is appended at Appendix 5.

5 Recommendations

It is recommended that, subject to a period of formal consultation:

- 5.1 One of the two Deputy Chief Finance Officer posts is reconfigured into Director Financial Transformation and Deputy Chief Finance Officer at Chief Officer Band H, for which additional costs will be met from transformation funding.
- 5.2 A Programme Manager is appointed at Chief Officer Band A with responsibility for the governance of the overall transformation programme.
- 5.3 Members thank Karen Dolton for her service to Bury Council and recruitment to the post of Executive Director Children and Young People is approved to commence immediately.
- 5.4 That the post of Assistant Director Education be deleted and replaced by a post of Director of Education with recruitment to commence on the appointment of the Executive Director of Children and Young People.
- 5.5 To approve the long term secondment of an officer with a remit to lead the implementation of the neighbourhood model including continuation of Community Hubs.
- 5.6 A new post of Assistant Director Public Service Reform at Chief Officer Band D is established and recruitment begins as a matter of urgency.
- 5.7 A new post of Executive Policy and Research Advisor is established.

6 Financial implications

- 6.1 The additional annual cost of the proposal is £0.514m of which £0.130m is for a three year period. At this stage it is assumed that the cost of the Director of Education is cost neutral and can be contained within existing resources.
- 6.2 It is proposed that the short term costs of £01.30m be met from the council's transformation reserves that was established as part of the 2020./21 budget setting process. The remaining £0.384m will be a first call on the corporate capacity budget that was included in the 2020/21 budget and was established on an ongoing basis. Whilst it is recognised the council faces significant financial challenges it was recognised that in order to deliver a transformed organisation and deliver savings in future years that capacity within the core of the organisation was needed. This proposal addresses some of this capacity issue.

7 Legal implications

- 7.1 The Council has a wide discretion to create a senior manager structure to reflect the current needs of the Organisation, apart from the requirements to have certain statutory posts.
- 7.1 In any form of recruitment, the relevant governance and decision making must be followed. In addition the Council has various policies and procedures regarding recruitment and selection which should also be followed when these posts are recruited to, to ensure equality.
- 7.2 Further to the recruitment, the impact on the current Constitution and Scheme of Delegation will also need consideration and will inevitably require amendments to ensure any newly created and/or renamed posts have the correct delegations.

8 Associated Risks

- 8.1 Proposals in this report mitigate the risks of current capacity gaps which may be summarised as:
- Insufficient capacity to maintain the emergency response and deliver recovery.
 - Failure to meet statutory functions.
 - Inability to secure the financial sustainability of the council through the effective operation of processes, structure and systems.

9 Conclusion

- 9.1 The proposals in this report consolidate the Council's high quality emergency response to date; provide the capacity to maintain our statutory functions and maintain momentum for reform in the context of agreed transformation ambitions and the Bury 2030 strategy.