

Gloucester City Council

Meeting:	Senior Appointments Committee	Date:	2 December 2021
Subject:	Senior Management Structure for the Council		
Report Of:	Head of Paid Service		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Jon McGinty, Managing Director		
	Email: jon.mcginty@gloucester.gov.uk	Tel: 39-6200	
Appendices:	None		

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To consider the senior management structure of the Council.

2.0 Recommendations

2.1 Senior Appointments Committee is asked to **RESOLVE** that the senior management structure set out in paragraph 3.9 of the report be agreed.

3.0 Background and Key Issues

3.1 The senior management structure of the Council was last reviewed in 2016, with the creation of two new Corporate Director posts, and then again in 2017 as part of the Together Gloucester restructure of the whole Council which included the creation of four new Head of Service Posts. Prior to that, the Council had agreed in 2015 to the creation of joint Managing Director post to be shared 50:50 with Gloucestershire County Council.

3.2 The retirement/resignations of the two Corporate Directors earlier this year has offered the opportunity for the Council to review its senior management structure and determine what senior leadership it needs to deliver its plans going forward. The Head of Paid Service agreed with the political Group Leaders earlier this year to delay any such review until after the election results were known, in part to understand what political priorities will need to be delivered over the course of the new administration.

3.3 In order to obtain independent input into this review, the Head of Paid Service and the Leader of the Council commissioned a senior advisor from the workforce team at the Local Government Association to provide advice on options. This reviewer considered documentation including:

- organisation structure charts;
- job descriptions for relevant senior posts; and

- pay and grading arrangements for existing senior management roles.

3.4 In addition, he met some key stakeholders to seek their views on arrangements and options for change:

- Cllr Mark Hawthorne- Leader Gloucestershire County Council
- Councillor Richard Cook – Leader Gloucester City Council
- Councillor Hannah Norman- Deputy leader Gloucester City Council
- Mr Jon McGinty- Managing director Gloucester City Council and executive director Gloucestershire County Council
- Mr Peter Bungard - Chief executive Gloucestershire County Council

3.5 Key conclusions reached by the advisor can be summarised as follows:

- The City Council in comparison to other similar district Councils is a small direct employer, as many key services are delivered either by contractors or commissioned from external partner organisations.
- Nonetheless, given Gloucester is the hub of the county, the City has a relatively high profile as a centre for tourism, culture, and heritage and significant internal resource is directed to the development of the City's heritage and the maintenance of its profile.
- Some of the head of service roles meet the description of 'integrator managers', that is, they are no longer leading a discrete service or small group of homogenous service areas, but are ensuring that a flow of activities are managed as a coherent whole or system. In other local authorities, posts of this complexity and breadth are often referred to as service or cluster directors.
- The council is a relatively high-profile district with an ambitious cultural and regeneration programme. It is a very lean organisation that it at the cutting edge of service delivery utilising new technology and has partnerships with a range of different organisations.
- The current management structure is very compact in comparison to other similar sized districts, and salaries at the top three tiers are therefore in line with where they would expect to be in comparison to national averages (towards the upper quartile).
- There are potential difficulties with continuing with a shared post with the County Council. This arrangement works well while the objectives of both organisations at a political and operational level are broadly aligned. However, if there is divergence in the future this may make it difficult to for the current MD to have a 'foot in both camps'. An example would be if central government sought bids from current stakeholders for a reorganisation of local government within the Gloucestershire county boundaries. It is possible that in this context the County and City would wish to pursue bids for reorganisation along different lines, in this context the current MD would be placed in a difficult position when undertaking his role as an ED at the County Council.
- The County Council are keen for the City Council to retain an appropriate level of strategic management capacity to support their ambitious transformation agenda, and would be content to accept if the outcome of this review would be for the City to revert to a management team led by a full-time managing director or chief executive; if not, they would continue to support the current shared arrangement.

3.6 In summary, the current structure has proved effective for the City Council in driving through significant transformation in both the way the Council delivers and

commissions services, which have been successful and delivered change to the benefit of residents and staff. However, this intense programme is now largely completed and while local government never operates in a static state, administration leaders see the next term as more about consolidation and improvement within the existing model. In this context the key transformational skills of the previous Corporate Directors may not be as essential and there may be the opportunity to realise savings by creating a different structure that meets the needs of the now transformed organisation and focusses more on the day-to-day management and delivery of service.

3.7 Consequently, there is an opportunity to consider alternatives that provide the City Council with the necessary strategic capacity while delivering some savings. There are also options that will deliver savings for the County Council and hence the taxpayer.

Recommended way forward

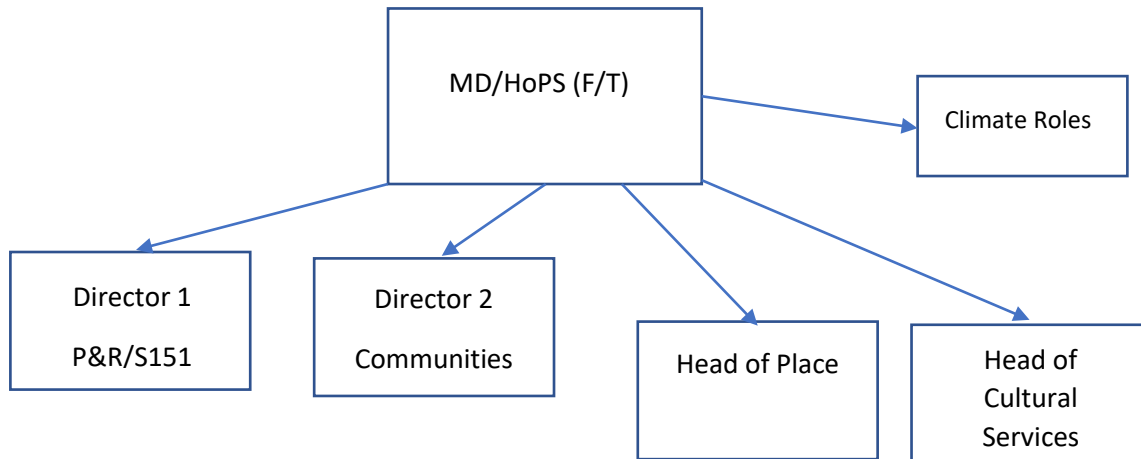
3.8 Some key principles to be adopted in a new structure are:

- Ensure sufficient strategic management capacity for the Council necessary to deliver the new Council Plan, whilst seeking to deliver savings to the taxpayer where possible.
- Ensure roles and management layers within the organisation add value and do not blur accountability, duplicate or overlap with other roles or layers of decision-making. Put another way, do not create unnecessary layers of management.
- Ensure the Council's most senior officers, such as the MD, are not drawn into operational management issues at the expense of more strategic work.
- Ensure the other key statutory role, the S151 officer, is not pushed down to too low a management tier in the organisation.
- Reward and recompense roles appropriately to recruit and retain talent and to recognise breadth and depth of accountability and decision-making.
- Ensure organisational resilience by creating obvious deputy(ies) for key individuals such as the MD and the S151 officer.

3.9 To that end, the following structure is proposed:

- Reversion of the MD post to full-time for the City Council, increasing the strategic capacity of the organisation
- Deletion of the two Corporate Director posts, as those key transformational skills are less essential for the new administration
- Recognising the breadth and depth of service responsibility and accountability already carried by these posts, and more formally recognising them as effective deputies for the MD, regrade the Head of Policy and Resources post (S151 Officer) and the Head of Communities post from job size 4 to job size 5. These posts would become service directors or more simply, Directors.
- Retain the Head of Place and Head of Cultural Service posts.
- Continue to have the Countywide Climate Change Coordinator and the City Council's Climate Change Manager report directly to the MD, to reflect the strategic importance attached to this agenda by the administration and wider County partnerships.

3.10 This could create the following indicative structure:



4.0 Social Value Considerations

4.1 Not applicable.

5.0 Environmental Implications

5.1 Not applicable

6.0 Alternative Options Considered

6.1 Other options considered but discounted include:

- Retain status quo – not recommended as this creates unnecessary cost and potential for accountability blurring between different layers of management
- Revert to full-time MD/Chief Executive with addition of one post at executive/corporate director level – not recommended as does not create as large a saving opportunity as the recommended option, plus the transformational skills from a corporate director post are less essential for the new administration
- MD remaining part-time and shared with County Council and create a single Chief Operating Officer/Deputy Chief Executive – not recommended as could potentially lead to overlap of accountabilities both with the MD and heads of service creating inefficiency and demotivating, plus does not create as large a savings opportunity as the recommended option
- Create a full-time MD post and an additional Head of Service post – not recommended as does not create clear and obvious deputy roles to the MD, and increases his span of management control to seven (including the climate change roles) potentially drawing the MD into operational management issues at the expense of more strategic work.

7.0 Reasons for Recommendations

7.1 Of the options considered, this option best meets the key criteria set out above.

8.0 Future Work and Conclusions

- 8.1 If agreed, the City Council would need to give formal notice to the County Council of the intention to cease sharing the Managing Director. Also, the Head of Policy and Resources post and the Head of Communities post need to go through a regrading review.
- 8.2 The recommended option does not create a long-term solution for the Council for its Monitoring Officer role, following on from Council's recent decision to designate a part-time interim Monitoring Officer. The Head of Paid Service will need to bring a proposal to Council before the interim arrangements cease in September 2022 setting out recommendations to succeed this interim arrangement. Options are likely to include: continuing with a part-time sharing arrangement (potentially with neighbouring councils, as at present); identifying an internal resource to fill the role; or recruiting an external candidate into a permanent position in the council.
- 8.3 One of the previous Corporate Directors provided a great deal of Strategic Partnership leadership capacity at County level, chairing a number of key County-wide partnerships. Partner organisations remain keen for the City Council and other district councils to continue to work together on some of these agendas where it makes sense to do so. To that end, district councils are developing proposals with the NHS Clinical Commissioning Group to co-fund a partnership role that could lead on subjects such as tackling health inequalities across the whole county. It is therefore recommended that a small portion (say £10k) of the overall savings arising from this recommended management restructure be set aside to provide a potential source of funding for any such co-funded activity.

9.0 Financial Implications

- 9.1 Including 'on-costs' associated with employing people (NI contributions, employers' pension contributions, etc.) the net impacts of the recommended structure are set out in the table below:

Role	Status Quo Costs	Option 6 Costs
MD/HOPS	£80,000 (P/T)	£160,000 (F/T)
2 x Corporate Directors	£256,000	£0
2 x New Directors	£0	£256,000
Heads of Service	£432,000 (=4)	£216,000 (=2)
Total cost to the Council	£768,000	£632,000
Total Saving	N/A	(£136,000)

- 9.2 In summary, the recommended structure would save the Council £136k, of which it is recommended that £10k is reserved for potential contribution to a co-funded partnership post at director-level focused on tackling inequalities.

(Financial Services have been consulted in the preparation this report.)

10.0 Legal Implications

10.1 As long as the Council continues to have a designated Head of Paid Service, a S151 Officer and a Monitoring Officer, its officer legal obligations are fulfilled.

(One Legal have been consulted in the preparation this report.)

11.0 Risk & Opportunity Management Implications

11.1 These are addressed in earlier sections of this report. The recommended option provides a balance between ensuring sufficient strategic leadership resource for the Council, set against the need to deliver savings opportunities where possible.

12.0 People Impact Assessment (PIA) and Safeguarding:

12.1 Not applicable.

13.0 Community Safety Implications

13.1 Not applicable.

14.0 Staffing & Trade Union Implications

14.1 No redundancies will be created as a result of the recommended new structure.

Background Documents: None