

SUBJECT: Resources – Enabling a Future Focused Council

MEETING: CABINET

DATE: 4th September 2019

DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

- 1.1 To consider proposals for a new Resource Directorate Management Team (DMT) structure, a revised senior finance structure and team restructures in Human Resources (HR), the Digital Programme Office (DPO) and the Commercial & Integrated Landlord Services teams.
- 1.2 To strengthen existing arrangements with devolved finance teams within the Children & Young People's and Social Care & Health directorates.
- 1.3 For the Digital Programme Office to take on responsibility for information governance and security.

2. RECOMMENDATIONS:

- 2.1 To approve the new Resources DMT structure. (Appendix 1a)
- 2.2 To approve the senior finance restructure and notably the establishment of an additional Head of Service post (Head of Project Finance) and Project Finance team necessary to support delivery of projects of strategic significance. (Appendix 5)
- 2.3 To approve team restructures in HR, the DPO and the Commercial & Integrated Landlord Services teams. (Appendices 2, 3 and 4)
- 2.4 To update job descriptions for the Finance Managers within the Children & Young People's Social Care & Health directorates and the acting Finance Manager in MonLife to ensure there is clarity around the line of accountability to the Chief Officer for Resources, S151 Officer and Deputy S151 Officer for professional, technical and statutory finance matters and to ensure effective Authority wide financial control, management and governance.
- 2.5 That full implementation of the restructure proposals will yield an overall initial saving of £32,000 in financial year 19/20. This is expected to rise to a minimum of £150k for financial year 20/21 and a minimum of £250k for financial year 21/22.
- 2.6 For the approved establishment to grow by 16.86 full time equivalents, 2 of these not being filled in the short-term, a breakdown and rationale for which is included in para 3.10.

- 2.7 For the funding model to see a fall in budgeted external professional fees of £25,000, a reduction in budgeted overtime of £17,000 and commercial income of £201,000. In so doing an appropriate internal economy of scale / skill mix will be created that will bring additional certainty / staff welfare benefit to programme and project delivery.
- 2.8 That these proposals see up to **XX** new apprenticeship opportunities created bringing the total number of apprentices in the Directorate to **XX**. These will be managed in accordance with the Apprentice, Graduate and Intern strategy agreed by Cabinet in July 2019.
- 2.9 That changes that have an impact on service level agreement / charging relationships with schools will not be implemented unless / until it is clear that schools support the proposed change and understand / accept any charging adjustments that fall to their school budget shares.
- 2.10 That any costs associated with the implementation of the structure (e.g. redundancy costs) fall upon the overall Resource directorate budget to fund but should this prove insufficient, that corporate funding be sought to cover any one off severance costs.
- 2.11 That the Chief Officer for Resources proceed with the implementation of the new structure and make any amendments that might become apparent during the process in consultation with the Cabinet member for Resources.

3. KEY ISSUES:

- 3.1 The Resources directorate was brought into being as a consequence of a Leadership review approved by Cabinet in May 2016. The Chief Officer for Resources was subsequently appointed in summer 2016 and inherited a diverse and complementary portfolio of services.
- 3.2 Subsequently in August 2017 Cabinet approved further changes to the Leadership structure and that saw further changes to Chief Officer portfolios. Finally, and most recently the Enterprise restructure proposals approved by Cabinet in July this year resulted in the Head of Commercial and Integrated Landlord Services taking on additional responsibility, with dual reporting responsibility into the Chief Officer for Resources and Chief Officers for Enterprise.
- 3.3 The existing Resources DMT structure is shown in appendix 1a and reflects these changes. The Directorate Head of Service portfolios are summarised below as follows:
- Head of People – people services (human resources, corporate training, payroll services, emergency planning, trade union relations, customer relations and SIRO (Senior Information Risk Owner)
 - Head of Commercial, Property, Facilities and Fleet – commercial portfolio, integrated landlord services (estates, property services and facilities), markets, registrars, cemeteries, energy

Fleet management, fleet maintenance, PTU review, cleaning and catering fall under the responsibility of the Chief Officer for Enterprise under the dual reporting arrangements noted above).

- Head of Finance – financial planning and advice, budgetary control, revenues, benefits, exchequer, treasury management, insurances, internal audit
- Head of Digital – digital programme office, information governance and security, GDPR, FOI requests, SRS client management, GIS
- Head of Business Planning and Redesign – service redesign, transformation, whole authority procurement

- 3.4 The services that make up the Resources directorate need to move at a pace consistent with the services that make up the rest of the Authority. The current structures and resources are not operating effectively and optimally. There are many temporary and interim arrangements in place, with honoraria being afforded to staff who are taking on additional responsibilities.
- 3.5 The directorate has many priorities to deliver against, driven by the underpinning enabling strategies and in supporting services widely in delivering the aims and ambitions laid out in the Corporate Plan.
- 3.6 The management team and wider teams have been involved in shaping the proposals. The detailed proposals highlight the recognition of the workload pressures upon existing services and equally the need to create capacity where it is most required and in delivering against corporate priorities. Proposals have been developed with a clear recognition of the financial constraints that are imposed when considering further investment. Resilience and sustainability has been a feature of all of the proposals but paramount has been the need to have clear purpose in supporting the organisation at large to be high performing, effective and efficient, digitally enabled and commercially minded.
- 3.7 A proposed new DMT structure is provided in appendix 1a. The senior finance restructure proposals are provided in appendix 5 and team restructures for HR, the DPO and Commercial and Integrated Landlord Services are provided in appendices 2, 3 and 4.
- 3.8 The restructure is necessary to:
- a) Put in place robust and resilient management and staffing structures across the directorate;
 - b) Ensure Head of Service grades are commensurate with the level of responsibility assumed, creating opportunities for growth and career development, and ensuring that we retain our most talented people.
 - c) As far as possible to in-build sufficient capacity and expertise to support organisational needs and demands, to allow key operational and strategic risks to be managed and to ensure 'future focus' is maintained and where opportunities for growth and investment are seized upon in lieu of decline and service reduction.

- d) Focus on delivery of underpinning enabling strategies and that in turn support delivery of priorities and ambitions set out in the Corporate Plan.

3.9 The role of the directorate is very broad so to place the restructure proposals in context the substance of the proposals are summarised below, with further detailed proposals provided in appendices 2-5:

- a) Directorate Management Team – An additional head of service post, with the creation of a Head of Project Finance post, and the Chief Internal Auditor and internal audit reporting directly into the Chief Officer for Resources.
- b) Senior finance – during the two year period where transitional arrangements have been put in place to cover for the long term sickness and subsequent and very sad and untimely death of the former Head of Finance it has allowed for an extended period of review and reflection.

Beyond some natural refinements to the Head of Finance (S151 Officer) role, the proposed structure looks to establish a Head of Project Finance role, operating at a level consistent with the Head of Finance (S151 Officer), with an equally significant domain of responsibility which manifests differently in that it will play a significant strategic role in influencing, informing, developing and implementing strategic significant projects, programmes and investments. The role will also attract a deputy S151 designation and that is reflective of the involvement and influence in material business decisions.

The Head of Project Finance will be supported by a new Senior Project Accountant post. Furthermore, the team will be expanded as necessary and as required through secondments from the management accountancy teams and more widely, graduate internships, and external advisors and expertise.

The proposals look to provide an appropriate level of balance and dedicated senior finance leadership capability and expertise to ensure that Council has good financial management in place, whether through managing day to day operations (business as usual) or in advancing its strategic intentions and policy aims and ambitions.

The Chief Internal Auditor is currently a shared post between Monmouthshire and Newport City Council, with the allocation of time being 40% (MCC) and 60% (NCC). Negotiations with Newport have resulted in agreement that the allocation of time is moved to a 50/50 basis, with a small resultant cost implication to be managed within the wider restructure proposals.

As a result of the removal of one layer of the senior finance hierarchy, through the deletion of the two current Assistant Heads of Finance roles, there is as a consequence a greater level of responsibility placed on the existing Finance Managers, three of which report into the Head of Finance, and three of which report into the Children & Young People's, Social Care & Health and Enterprise

directorates respectively. It is proposed, subject to job evaluation, that these roles will be regraded and increased by one salary band.

Furthermore, the Finance Manager within the Children and Young People's (CYP) directorate now occupies a role that extends and spans a number of critical areas of support services for schools and the provision of services for children with additional learning needs. Critically this includes the oversight, management and leadership of the Access unit that manages and administers school places within Monmouthshire. The post holder is also significantly involved in change management of significant aspects of the directorate's ongoing reform agenda such as the review services for students with additional learning needs and the re-provisioning of school buildings. An updated job description now reflects the new role of Support Services Manager. This more appropriately reflects the role's range and seniority within the CYP Directorate.

- c) Human resources – in summary the proposed changes result in an increase of 2.2FTE, and that also confirms the permanent funding for the HR business partner post for MonLife. This is commensurate with the capacity issues faced on the team and that is inhibiting progress in developing a business partner model that supports services as they look to enhance workforce planning and that includes arrangements for performance management and appraisal, talent development and succession planning.
- d) Digital Programme Office – The Digital Programme Office was established to deliver the Digital Strategy. It has evolved over time and to cater for the increasing demand and needs of a forward thinking digital council that in turn responds to the needs of customers and service users. It has recently taken over responsibility for information governance and the management of 4 key corporate information systems in addition to its existing digital design functions and management of the technology partnership with the SRS.

There is a need to restructure the DPO in order to effectively manage the interrelationships between information governance and the provision of good quality data with the underlying systems architecture that supports our business.

The success of the DPO in raising digital awareness and the potential for digital solutions to improve efficiency and realise cash savings has meant we have an increasing pipeline of digital projects that needs to be supported in their design and implementation by the DPO and the SRS.

The restructure of Digital Programme Office involves:

- An additional post to manage the corporate system SharePoint Online and other Microsoft Enterprise products
- A Digital Apprenticeship to develop digital skills and enable succession planning
- Additional business support to monitor projects, manage inventories and administer FOI

- A re-evaluation of the responsibilities of the Digital Design team, with revised responsibilities and accountabilities within job descriptions.

A further investment is proposed in 2 additional posts within the SRS and that will be funded through a fee charged against digital project costs met by services:

- A project manager post to manage the increasing pipeline of digital projects through to completion
- An Application Support Analyst to upgrade and support our systems architecture of circa 60 systems.

The Application Support Analyst role will be held vacant initially and filled and recruited based on need and demand.

- e) Commercial & Integrated Landlord Services – the whole authority commercial strategy, embedded in which is an integrated ‘corporate landlord’ that brings together core elements of our physical and revenue generating assets, has necessitated a review of the existing team structures and approach that comprise the Commercial and Integrated Landlord Services team. The proposals look to ensure that we have the right capacity and expertise available within the core team to support the development and maintenance of our asset base, and without unnecessary recourse to incurring additional costs from securing this from the market through agency staffing or other arrangements.

Estates Service

The restructure will formalise the division of the Estates Service into two distinct professional teams as well as retaining our service responsibilities for cemeteries, energy and markets. It is proposed that the professional property aspect is divided into estate management and development teams. Existing management and team roles are being deleted, replaced and regraded as a result.

The Markets Service is being modernised with additional capacity built in. This will support traders, improve service quality and provide a long term commitment to market traders, customers and the wider communities. It is therefore proposed to create a Deputy Markets Manager post and convert the current facilities assistant posts from 25-hour contracts to full time posts.

It is also proposed to create an Energy Assistant post to support the Energy Manager. This will assist in releasing capacity to support delivery of energy projects and delivering our carbon neutral agenda.

Furthermore, there accommodation budgets will continue to be centralised and placed under the control of the Commercial & Integrated Landlord Services team.

Property Services

In Property Services it is evident that there is a lack of capacity within the existing teams, which has resulted in the need to contract out work to neighbouring authorities or the private sector. We would be better served by an appropriate internal capability to manage our known pipeline of design and maintenance projects.

The Design team are the largest users of external providers as they lack a coherent planning process to manage workloads and capacity is limited. A full time design manager is proposed along with the creation of an additional Quantity Surveyor and Architectural Technician posts. In order to respond to changes in health and safety legislation a Principle Designer role is required in order for the team to undertake any construction works (of any scale).

Currently the Maintenance Manager holds responsibility for the maintenance of the Council and Gwent Police's property portfolio. The proposed restructure retains the existing team and supplements capacity through the creation of an additional electrical clerk of works post – an area where we are continually struggling to meet demand.

The health and safety team will now report directly to the Maintenance and Facilities Manager and will result in the creation of a new Health & Safety Lead Officer post in order to ensure effective monitoring and the commissioning of health & safety surveys and remediation works in line with legislation.

The proposed structure changes the reporting responsibilities for facilities management and builds in capacity in our Magor site and to ensure there are suitable cover arrangements in place.

Finally Business Support will undergo a significant change and where it is proposed that the hierarchy will be streamlined and the teams split into customer services and accounts & contract management. The Business Manager and Office Services Manager posts are to be deleted and replaced with a Finance & Contracts Manager who will be responsible for the service. Supporting this post will be a Contracts Officer and Customer Services Team Leader.

In parallel with the restructure proposals there will be a review of the current fee charging arrangement to ensure and where possible that process can be streamlined and that where applicable fees represent the cost of services provided.

- f) To reflect the regrading of two posts under the responsibility of the Head of Business Planning & Redesign and resulting from job evaluation and commensurate with the duties assumed.

3.10 The proposals in totality will see an increase in the establishment of 16.86 FTE that comprises:

- No net increase in establishment as a result senior finance restructure proposals

- A 0.2 FTE increase in the Chief Internal Auditor post shared with Newport City Council.
- A 3.06 FTE increase in the HR team, of which 0.86 FTE relates to a long standing temporary post that has been budgeted for previously and an element which relates to schools and for which additional SLA income will be looked to be recovered before relevant posts are filled.
- A 3.86 FTE increase in the Digital Programme Office, together with a 2.0 FTE increase in posts in the SRS, and for which 1.0 FTE will be held vacant and filled based on demand.
- A 3.0 FTE increase in Estates which reflects increased support and commitment to markets (2.0 FTE) and energy and carbon reduction commitments (1.0 FTE).
- A 4.84 FTE net increase in Property Services which results from developing appropriate internal capability and capacity to manage our known pipeline of design and maintenance projects and for which fee income is generated, increased investment in health and safety, maintenance and facilities capacity offset by a reduction caused by the restructuring of the business support team.

3.11 Of the 16.86 FTE increase in staff establishment the proposals:

- 2 posts will not be filled in the short term and will be filled on the basis of demand. These posts being an SRS Applications Analyst and an Architectural Technician in Property Services.
- changes that have an impact on service level agreement / charging relationships with schools will not be implemented unless / until it is clear that schools support the proposed change and understand / accept any charging adjustments that fall to their school budget shares.

3.12 As part of net increase in staff establishment, the proposals will see up to **XX** new apprenticeship opportunities created bringing the total number of apprentices in the Directorate to **XX**. These will be managed in accordance with the Apprentice, Graduate and Intern strategy agreed by Cabinet in July 2019.

3.13 There is a package of savings and budget adjustments proposed to meet the increased staff establishment and changes proposed. These are shown in full in appendix 1b. In summary these consist of:

- Savings naturally generated from the proposals being implemented such as a reduction in agency costs, overtime, honoraria and additional hours
- Increased levels of fee income and commercial income generated

- Where budget is already in place but has historically funded temporary rather than permanent posts
- Staff costs that can be legitimately charged against the capital programme or is attributable to investments that the Council considers

3.14 In conjunction with the proposals to restructure the senior finance structure there is also a need to strengthen and provide greater clarity around the lines of accountability between the Chief Officer for Resources, S151 Officer and Deputy S151 Officer and the Finance Managers and devolved finance teams in the Children & Young People's and Social Care & Health directorates, and acting Finance for MonLife. It is proposed that job descriptions for the respective Finance Managers are updated to ensure the line of accountability to the Chief Officer for Resources, S151 Officer and Deputy S151 Officer for professional, technical and statutory finance matters is clear and to ensure effective Authority wide financial control, management and governance. It should be noted that whilst the post of acting Finance Manager for MonLife is being considered as part of the wider structure proposals for MonLife the line of accountability would remain with any relevant replacement post.

3.15 As is the case for all services, and in fact all local authorities, change is inevitable and the pace of change is increasing. The directorate never stands still and these proposals reflect the best configuration and alignment of services at this time. As noted below in the option appraisal there will be ongoing opportunities to review the effectiveness and efficacy of structures.

4. EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

4.1 This report seeks approval to alter the Resources directorate staff establishment in order to facilitate the range of projects and initiatives listed within this report, support the existing activities associated with the Council's corporate priorities and the continuation of delivery of the wide range of services provided through the Directorate. The report does not seek to amend or add to these policies or to services that direct the nature of services provided to the public. The report deals solely with staffing matters and as such a Future generations and Equality assessment is not considered appropriate or of relevance in this instance.

5. OPTIONS APPRAISAL

5.1 The revised DMT structure and senior finance structure proposals being put forward have been considered as part of a consultation exercise with the Strategic Leadership Team, Directorate Management Team and Cabinet Member for Resources.

5.2 In terms of the individual team restructures staff have been engaged and consulted and changes have been made as a result. Various options of service configuration had been examined, before arriving at the proposed restructure proposals and the requirement for additional posts. Some formal consultation is still being undertaken with staff teams and unions. Any amendments that become apparent and necessary will be considered by the Chief Officer for Resources in conjunction with the Cabinet Member for Resources.

- 5.3 An option remains not to proceed with the restructure as proposed and retain the existing arrangements. The option to do nothing is not seen as a feasible option. Whilst the interim arrangements have operated satisfactorily this has resulted from honoraria arrangements being put in place to reflect additional senior responsibilities. Furthermore the current structure does not currently offer the best use of resources and delivery of services. In fact the delivery of corporate priorities will be jeopardised without reorganising roles and responsibilities to reflect demand. In addition, the current structure will not develop or retain existing senior managers or provide opportunities for succession planning.
- 5.4 The additional posts proposed (appendix 1b in summary and appendices 2-5 in detail) respond to some of the identified service and function demands that are not presently being optimised with current staffing arrangements. Again the option remains not to proceed with some or all of these posts being created. There would be an ongoing risk that any decision not to proceed would reduce the directorate's ambitions and ability to deliver the Council's corporate priorities.
- 5.5 In terms of the senior finance restructure the options considered had looked at whether the need to effectively and adequately support the delivery of strategically significant projects and programmes can be accommodated under one Head of Service. The pace of change, commercial approach, local and regional ambitions and aspirations, and a backdrop of increasing demand and model needs to see strategically significant projects and programmes developed and delivered quickly. And without sacrificing the need for detailed analysis, robust business cases and appropriate due diligence where required.
- 5.6 The proposed structure looks to establish a Head of Project Finance role, operating at a level consistent with the Head of Finance (S151 Officer), with an equally significant domain of responsibility which manifests differently in that it will play a significant strategic role in influencing, informing, developing and implementing strategic significant projects, programmes and investments. The role will also attract a deputy S151 designation and reflective of the involvement and influence in material business decisions.
- 5.7 The proposals and the recommended option looks to provide an appropriate level of balance and dedicated senior finance leadership capability and expertise to ensure that Council has good financial management in place, whether through managing day to day operations (business as usual) or in advancing its strategic intentions and policy aims and ambitions.

6. EVALUATION CRITERIA

- 6.1 The wider implications of introducing the structure will be reflected in the service business plans and monitored through this mechanism. Regular reviews of performance and action with relevant officers will also be undertaken through one to one meetings, annual reviews and engagement with Select Committees when required. Whilst the new structure cannot 'guarantee' delivery, the drivers for change and insight captured suggests that this is the most appropriate senior management structure for the directorate. And together with the team restructures in Human Resources, the Digital Programme Office and Commercial

and Integrated Landlord Services appropriate in supporting the wider Authority and to respond to demand and need whilst acknowledging cost and budget implications.

- 6.2 The restructure of the senior finance management team, in itself, will prompt further review of structures. For the Head of Finance in reviewing teams and the structures inherited and to ensure they meet the needs of the Authority, are lean and fit for purpose. And for the Head of Project Finance in determining the most appropriate model to develop 'pop up' capacity and expertise as and when required and in ensuring that strategically significant projects are adequately supported.
- 6.3 A review of the People Services senior management structure will take place in 2020 as a result of the anticipated retirement of a number of senior staff within the directorate later in that year. The Head of People's service portfolio will be reviewed ahead of any planned retirement and to ensure that any changes can be managed well in advance.
- 6.4 Further opportunities to review structures will take place on an ongoing basis and centred around the MTFP and budget process.

7. REASONS:

- 7.1 The Corporate Plan and priorities describe the ambitions of the Council. The Resources directorate plays a key role in creating the conditions to enable services to succeed and that are so critical to delivering the Council's core vision of building sustainable and resilient communities for the benefit of current and future generations.
- 7.2 The Cabinet and Council has approved a suite of enabling strategies which significant underpin and articulate the operating model, modus operandi or 'way we do things around here'. In particular the intent of the People Strategy, Commercial Strategy, Strategic Asset Management Plan, Digital Strategy and MTFP are consistent with that of a 'future focused Council'. Intent needs to be backed up with delivery and in supporting services to deliver the priorities set out in the Corporate Plan (22 for 22). This restructure exercise looks to evolve the management structures and in-build team capacity and capability where needed and which as a consequence will support and enable delivery. Team restructures are long overdue and temporary and interim arrangements have been in place for an extended period.
- 7.3 The senior finance restructure proposals are driven by this same agenda and need but also a consequence of the very sad and untimely death of the former Head of Finance, Joy Robson. Proposals look to provide a legacy where robust financial management arrangements remain in place and to support a sustainable and resilient business and operating model where resources are aligned with demand. The proposals are also as a consequence of the transfer of the Revenues team into the existing shared service arrangement with Torfaen County Borough Council.
- 7.4 The proposed structure and team restructures look to align resource and expertise with demand and need, and will continue to enable the transition from traditional support service to enabling business partner.

8. RESOURCE IMPLICATIONS:

- 8.1 The cost implications of the restructure and amendments/additions to the establishment are detailed in Appendix 1b.
- 8.2 The full implementation of the restructure proposals, together with savings and adjustments made, will yield an overall initial saving of £32,000 in financial year 19/20, contributing in assisting the in-year overspend situation. This is expected to rise to a minimum of £150k for financial year 20/21 and a minimum of £250k for financial year 21/22.
- 8.3 The funding model, as illustrated in appendix 1b, will see a fall in budgeted external professional fees of £25,000, a reduction in budgeted overtime of £17,000 and commercial income of £201,000. In so doing an appropriate internal economy of scale / skill mix will be created that will bring additional certainty / staff welfare benefit to programme and project delivery.
- 8.4 The proposals are based on the anticipated salary point (SCP) that posts will attract following implementation rather than proposals being costed at the top of grade. This is on the basis that this reflects the anticipated costs of implementing the restructure in the current financial year. Incremental pay pressure will be managed on an annual basis as part of the annual budget process and dependent on staff turnover.
- 8.5 Any costs associated with the implementation of the structure (e.g. redundancy costs) will fall upon the overall Resource directorate budget to fund but should this prove insufficient, then corporate funding will be sought to cover any one off severance costs.

9. CONSULTEES:

Senior Leadership Team
Cabinet
Resources Directorate Management Team
Trade Unions

10. BACKGROUND PAPERS:

Appendix 1 – Restructure – summary costings and structure
Appendix 2 – Commercial and Integrated Landlord restructure proposals
Appendix 3 – People Services – HR restructure proposals
Appendix 4 – Digital Programme Office – restructure proposals
Appendix 5 – Finance – Senior Finance restructure proposals

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