

OPEN

Corporate Policy Committee

21 March 2024

Officer Boards, Peer Challenge and Decision Making Review Update

**Report of: David Brown, Director of Governance and Compliance
(Monitoring Officer)**

Report Reference No: CP/76/23-24

ALL Wards Affected

Purpose of Report

- 1 The report sets out three of the preliminary activities required to allow the development of the future transformation programme. This report is to inform Members of the initial work undertaken by the Chief Executive Officer to prepare the organisation for change.

Executive Summary

- 2 There are three defined workstreams contained within this report:
 - (a) Activity 1: Creation and implementation of Council wide Officer Boards. This is to promote a Council wide approach to strategy, performance, and risk. This will be supplemented by a further Transformation Board when required.
 - (i) The Officer Boards will determine how the Council will transform and execute the Cheshire East Plan's vision and mission over the next four or five years. These will commence in March 2024.
 - (b) Activity 2: Local Government Association (LGA) review of decision making accountability (DMA). [Creating effective organisational structures \(DMA approach\) | Local Government Association](#)

- (i) The Council are currently working with the LGA who are conducting a review to make sure that we have organisational structures that are effective at taking decisions, with clear accountabilities and roles. This review will also strengthen and stabilise our management structure so that we have the right management capacity for a council that will need to change quickly to address our financial position, and be robust enough to deal with future challenges.
 - (ii) This process will involve management staff to Head of Service level. Information has been shared with them during the week of 26 February to commence on the 4 March with a view to completion of the field work by 15 March 2024.
- (c) Activity 3: LGA Peer Challenge. [Peer challenges we offer | Local Government Association](#)
- 8 Cheshire East Council's submission for the peer challenge will be submitted on 11 March 2024. The peer challenge will commence on the 25 March 2024 and conclude on Maundy Thursday, 28 March 2024.
- 9 Member briefings will be aligned with the Transformation Programme.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Authorise the Chief Executive Officer, in consultation with the Chair and Vice Chair of Corporate Policy Committee, to take all necessary steps to respond to any recommendation of the review and note the commencement of the Decision Making Accountability Review.
2. Authorise the Chief Executive Officer, Chair and Vice Chair of Corporate Policy Committee, to take all necessary steps in the preparation for the review and to take all necessary steps to respond to any recommendation of the Peer Challenge, and note the progress of, and the Council submission to, the Local Government Association Peer Challenge.
3. Note the creation and operation of the Officer Boards.

Background

Officer Boards

- 10 Four officer boards are proposed. The Boards are designed to be cross-Council structures. The Council has very well defined 'vertical' management structure in place primarily through the line management function. The vertical structures are supplemented by ad hoc cross cutting Boards, which are usually focused on specific issues or projects. The new Boards will embed a 'horizontal' structure designed to improve cross-Council working and help to eliminate introspective or silo working.
- 11 Initially, three Boards will be established:
- a. Strategy, Policy & Legislation Management Board
 - b. Performance & Improvement Management Board
 - c. Risk & Assurance Management Board

The fourth Board, Transformation, will be established following further development by the Corporate Leadership Team.

- 12 The Boards will commence in March 2024 and will report to the Corporate Leadership Team (CLT). CLT will retain the role of the Transformation Board until the completion of the peer challenge and DMA review.
- 13 Initially, each Board will be chaired by an Executive Director with a single Head of Service or Director in support. Each Board has established Terms of Reference (Appendix 1). The Boards will be advisory and not have independent decision-making powers. The Boards will rely on the existing scheme of individual officer delegations for authority to undertake activities.
- 14 The Boards will be used to recommend activity, support interventions, and where change is required, to set up task and finish groups, to monitor risk and give assurance on wider progress. The desired impact is to create a level of accountability and empowerment that will engender swift progress in supporting the future transformation agenda.
- 15 The initial meetings of the Boards will be used to identify remaining Board Members and develop a work programme and progress will be reviewed in three months.

Decision Making Accountability

16 The LGA describe the Decision Making Review as:

“The decision-making accountability (DMA) approach is an organisational design tool which establishes the number of layers of management that an organisation needs – and the units within it – to achieve its purposes most effectively, and the decision rights that managers in different layers require to be empowered. This can be used at a whole organisation or individual service level.”

and

“It is a proven way of creating an effective organisation and services, and an efficient management structure. The aim of DMA is to create a healthy and effective organisation.”

17 The DMA approach will follow a standardised method:

- (a) Briefings: To give an opportunity to engage with contributors to promote and highlight the DMA process and the benefits. This commenced on 26 February 2024.
- (b) (Stage 1) The LGA have completed a desktop review, which will analyse the current senior organisational structure and will produce a report with findings and recommendations. The final report will include beneficial quantitative information and include examples of where over layering occurs.
- (c) Feedback: Feedback sessions to go through the findings and recommendations, together with Cheshire East Council to agree the timeframe for Stage 2.
- (d) (Stage 2) DMA review: Approximately 30 one to one interviews, and a facilitated drop-in session where colleagues can attend to have their say. One to ones from Head of Service to Chief Executive. The 30 members of staff have been identified and the interviews commence from 8 March 2024.
- (e) Report and Findings: The information from Stage 2 will inform the final report that includes findings and recommendations. The report will include common themes and suggestions of future structures.
- (f) Feedback: The LGA can hold further feedback sessions on the findings and recommendations.

18 It is anticipated that the DMA report will be available around the end of March 2024, and will inform the decision on resourcing and capacity for the transformation programme.

Corporate Peer Challenge

19 At Council on 13 December 2023, a motion was put forward seeking a Peer Challenge. The Peer Challenge was referred to the Corporate Policy Committee on 13 February 2024, had cross-party support and was unanimously agreed. The Chief Executive Officer has arranged for the commencement of the Peer Challenge, to be progressed swiftly.

20 The Peer Challenge will provide an insight to the next steps to prepare for a transformation programme.

21 The Peer Challenge process requires an introductory position statement by Cheshire East Council to support the peer reviewer. This takes the form of a written submission covering five core areas:

- Local priorities and outcomes
- Organisational and place leadership
- Governance and culture
- Financial planning and management
- Capacity for improvement

22 The methodology is set out in the Scope and Preparation document together with the class of potential interviewees by role or position. Full details of a peer challenge can be found [here](#).

23 The Peer Challenge visit should be concluded by 28 March 2024. The final report will be published on the Council's website by 25 June 2024.

Impact

24 Each of the activities identified in the report are required to inform the approach to transformation. The structural elements around the Boards are necessarily fluid and will be informed by the DMA and Peer Challenge.

25 The recommendations that arise from these activities will require an expeditious and timely response. The response may also require undertaking a wide range of activity and the report recommendations provide for the Chief Executive Officer to take all necessary steps to embed the changes required to facilitate the future transformation programme.

Consultation and Engagement

- 26 The different activities have a wide range of communication and engagement channels. The Peer Challenge was agreed in a public meeting at Committee. Staff engaged in the DMA review have been briefed. The implementation of the Board structures is part of a wider communication and familiarisation plan across the organisation.
- 27 Further staff and Member engagement/briefings and communication will be required as information and reports become available. It is possible that organisational change may be required. Organisational change to support transformation may engage a requirement for both formal and informal consultation and engagement with staff at all levels of the organisation.

Reasons for Recommendations

- 28 The recommendations inform the Committee of a wide range of activity being undertaken. This activity is a precursor to further transformational change. It has a direct impact to the success of any transformation programme.
- 29 The current operating environment for local government in general, and for Cheshire East Council, in particular requires the Council to adapt to circumstances. The fiscal pressure also requires the speed of adaptation to be swift and the recommendations authorise the Chief Executive Officer to move forward at pace.

Other Options Considered

- 30 The Council always has a “do nothing” option. A do nothing option in the current fiscal environment is unlikely to achieve effective service delivery for the residents of Cheshire East.

Implications and Comments

Monitoring Officer/Legal

- 31 The recommendations give authority to the Chief Executive Officer in consultation with the Chair and Vice Chair of the Corporate Policy Committee for the delivery of the activity and to make the progress required that will arise from these activities.
- 32 Further decisions will be required to enable the future transformation programme to be delivered, and where necessary, an update can be provided to the committee on 13 June 2024.

Section 151 Officer/Finance

- 33 There are nominal financial implications associated with the content of this report. However, there may be financial implications associated with any changes to the senior management structure and recommendations from the peer challenge.

Policy

- 34 Every aspect of the delivery of the Corporate Plan is engaged as the activities are a reflection on the whole Council and will inform service provision for the future.

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| An open and enabling organisation | A council which empowers and cares about people | A thriving and sustainable place |
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Equality, Diversity, and Inclusion

- 35 No direct impact

Human Resources

- 36 The whole workforce of Cheshire East Council will be engaged in understanding of the public reporting and the whole work force will ultimately be engaged in the delivery of any changes required.

Risk Management

- 37 Failure to have appropriate management structures and to follow through on wider recommendations presents a significant risk to the Council of being unable to meet the aim of the corporate plan and support long term sustainability.

Rural Communities

- 38 No direct impact

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 39 No direct impact

Public Health

- 40 No direct impact

Climate Change

41 No direct impact

| Access to Information | |
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| Contact Officer: | David Brown – Director of Governance and Compliance |
| Appendices: | Appendix 1 Board Terms of Reference |
| Background Papers: | Peer Review report Corporate Policy Committee 13 February 2024 |