

Appendices 3 and 4 -NOT FOR PUBLICATION

By virtue of paragraph(s) 1 and 2 of Part 1 Schedule 1 of the Local Government Act 1972.

Corporate Policy Committee

3 October 2024

Proposed New Senior Management Structure

Report of: Rob Polkinghorne, Chief Executive

Report Reference No: CP/37/24-25

Ward(s) Affected: All

Purpose of Report

- 1 Following a period of formal consultation with appropriate staff, this report sets out the proposed senior management structure created following consideration of recommendations from the Local Government Association (LGA) Decision Making Accountability (DMA) review, and the Corporate Peer Challenge, together with the timescale for implementing the structure. This proposed structure is designed to ensure there is sufficient capacity and skills to respond to the recommendations within the peer challenge and meet the requirements to achieve financial stability, deliver the Children's Services Improvement Plan and the Council's transformation programme.
- 2 As set out in the report to Committee dated 21st August 2024, interim and temporary arrangements are in place whilst proposals were being consulted on and finalised, and these interim arrangements will need to continue until the implementation of, and recruitment to, the new senior management structure, to ensure the Council delivers its responsibilities until the onboarding of new appointees is complete. In addition, this report provides information about further interim roles to be established as a result of LGA recommendations.
- 3 This report contributes to the strategic aim of being an open and enabling organisation within the Council's Corporate Plan 2021-25 and supports the objectives.
- 4 Appendices 1, 3, 4 and 5 to this report contains exempt information pursuant to schedule 12A of The Local Government Act 1972 and

are therefore withheld from public inspection. The exempt information falls within paragraphs 2 and 4 of the exempt information categories contained within paragraph 24 of the Access to Information Procedure Rules in the Council's Constitution and contain information which is likely to reveal the identity of an individual as it relates to proposed changes to the senior management structure of the Council, information about the financial and business affairs of any particular person (including the authority holding that information), and provide information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or officer-holders under the authority

- 5 The information provided as to posts and spot salaries, can be connected to identifiable individuals. The public interest in maintaining the exemptions outweigh the public interest in disclosure, for the reasons stated and that it would not be appropriate to identify those individuals at by way of a committee report as to do so would be breach confidentiality.

Executive Summary

- 6 The two-phase approach being taken to the senior management restructure will minimise disruption to the organisation particularly in those service areas currently undergoing significant transformational activity.
- 7 Phase 1 focuses on the posts of Executive Directors and Directors (tier 2 and 3) across the organisation to provide stability and capacity at the most senior level and is the subject of this report.
- 8 Phase 1 will also include the structure within Corporate (Resources) Services to Head of Service (tier 4) to ensure an enabling structure is in place to drive the transformation programme, support Childrens' services improvement, deliver the Corporate Peer Challenge action plan and to achieve financial sustainability over the medium term.
- 9 Phase 2 will focus on the management structure at Head of Service level for the remaining three directorates with professional input from the newly appointed or designate Executive Directors and Directors. Phase 2 will be commenced early/mid 2025.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Following formal consultation, agree that the senior management structure, (Phase 1 only), set out in Appendix 1 (confidential) be presented to Full Council for approval, including approval of new positions within that structure with salaries more than £100,000 per annum and statutory officers, prior to implementation, and agreement that the Chief Executive commences recruitment to vacant/new positions within the senior management structure.
2. Note the implementation/recruitment timeline to a new senior management structure.
3. Recommend the release, and associated redundancy and pension costs, of the impacted/at risk staff members.

Background

- 10 The current operating environment for local government in general, and for Cheshire East Council, in particular requires the Council to adapt to changing and challenging circumstances. The current fiscal pressure requires Cheshire East Council to change and adapt at pace.
- 11 Following the Local Government Association (LGA) independent review of the current organisational structure at Cheshire East Council a full consultation has been undertaken and concluded which is now proposed for implementation.
- 12 The finalised structure provides opportunities to transform services, to achieve capacity and capability and provide for a stable and sustainable organisational structure.
- 13 The finalised structure will drive strategic and operational capacity, identifying synergies, whilst ensuring effective future strategic leadership and transformation of the council and the delivery of good outcomes for residents and communities within Cheshire East.
- 14 It is essential that the senior management team has the capacity to deliver transformational change and improvement activity at the same time as continuing to deliver services.

Final Structure

- 15 It is essential for the Council to achieve stability within the senior leadership team to provide strategic leadership, strong direction and vision which is required to drive performance and a One Council approach. The top structure will be both visible and involved to support the Chief Executive to achieve this.
- 16 Following a 30-day consultation period, the Chief Executive has reviewed and considered all feedback and has determined a final structure which differs slightly to the original proposed structure. Please refer to Appendix 1 (confidential).
- 17 The final structure, at both phase 1 and phase 2, will enable Directors and Heads of Service to manage more than one team to reduce silos, integration and improved team working.
- 18 The final structure is designed to support clearer decision-making processes and will enable senior managers to provide clarity of risk tolerance and more strategic 'whole Council' thinking.
- 19 The final proposed new structure for Phase 1 can be found in Appendix 1 (confidential).
- 20 Phase 1 will focus on recruiting to several open and/or new posts, and these can be found in Appendix 5 (confidential)
- 21 Phase 2 will focus on the Heads of Service structure in Children's Services, Adults, Health and Integration and Place. It will commence as quickly as possible after Phase 1 as the more senior appointments are made.
- 22 The recruitment and selection process will commence as soon as the recruitment partner has been appropriately procured and appointed.

Interim and temporary arrangements

- 23 Several interim senior management arrangements have been introduced to ensure that the Council continues to deliver its responsibilities and to provide time to develop a revised permanent structure for senior management structures. Some if not all of these arrangements will continue until the appointment to and onboarding of new recruits in post is completed.
- 24 It is also expected that additional interim capacity will be required to provide support for the Chief Executive until the implementation of, and the appointment to, a new senior management structure.

This will be managed within existing financial resources and through use of currently vacant posts.

- 25 As part of the DMA, the LGA have recommended the Chief Executive considers additional interim support specifically for him. This resource will be contracted through an external provider and will be fully funded by a grant provided by the LGA.

Reasons for Recommendations

- 26 The final proposed new Senior Leadership structure will:
- provide greater stability and strategic capacity.
 - focus on transforming services improving culture and financial management.
 - break-down the silos within the organisation.
 - create clarity of job title, role and levels of expectations.
 - set clear accountability and responsibility.
 - create a clear organisational customer focus, rather than a service focus.
 - improve collaboration, reduce overlaps and bring teams closer together.

Implications and Comments

Monitoring Officer / Legal

- 27 The Council's recruitment and selection policy and the Employment Procedural Rules will be followed, and a transparent, objective and fair selection process will be adhered to for any new or vacant posts.
- 28 Appointments to statutory officers and executive director roles will be undertaken via the Council's Appointments Committee with the former be formally appointed at Full Council.

Section 151 Officer / Finance

- 29 The costs associated with final structure for Phase 1 of the senior management structure are shown in (confidential) Appendix 3 (confidential).

- 30 The costing assumes appointment at the salary points shown. However, if any candidate was appointed at a higher salary point, the relevant service would need to identify funding to maintain our financial resources.
- 31 Other payments available additional to base pay may include organisation's contribution to pensions, market supplements, expenses, and allowances.
- 32 There is a small difference between costs of the current structure versus the final structure, reflecting small variances in grading between temporary and permanent arrangement. These costs would need to be managed by the relevant services areas as would normally be case when appointing at a spot salary.
- 33 The procurement process for the appointment of a recruitment partner for any new/vacant posts was agreed by the Appointments Committee on 29 April 2024. Timeline for recruitment is at Appendix 2.

Policy

- 34 The appointments will be made with reference to the pay policy statement to provide transparency to the Council's approach to setting the pay of its senior managers.
- 35 The report supports all the priorities in the [Corporate Plan](#) given this is about ensuring that we have a properly resourced leadership to lead on our strategic priorities.

Equality, Diversity and Inclusion

- 36 The recruitment and selection process will be open, fair and inclusive which reflect our vision, values and Employee Deal, ensuring objective recruitment decisions are made.
- 37 An Equality Impact Assessment was conducted as part of the preparation for the restructure consultation.

Human Resources

- 38 Actions will be undertaken in accordance with the Constitution and the Employment Procedure Rules as well as appropriate HR policies and procedures.

Risk Management

- 39 As identified in the strategic risk register, the impact of restricted recruitment (and spending) has been identified as a significant risk in relation to both the Leadership Capacity and Ability to Achieve Organisational Change risks. This report assists in the mitigation of the strategic risk reported to Corporate Policy Committee on 21 March 2024, specifically SR07 and SR09.

Rural Communities

- 40 None

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

- 41 The final structure for the overall council, in particular Children's Services, will enhance service delivery for all Cheshire East children and young people.

Public Health

- 42 This report and its recommendations/decisions here, by considering whether the proposals within are likely to have a positive overall impact on the health and wellbeing of Cheshire East residents.

Climate Change

- 43 None

Access to Information	
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Appendices:	Appendix 1: Final senior management structure Appendix 2: Timeline for recruitment Appendix 3: Final structure costs for phase 1 senior management structure (confidential) Appendix 4: Exit costs for impacted posts in phase 1 (confidential) Appendix 5: Open/Vacant posts

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Papers:

<https://moderngov.cheshireeast.gov.uk/ecminutes/ieListDocuments.aspx?CId=959&MId=10644>