



CABINET

Tuesday, 05 July 2022

Subject	Review of Strategic Management Team Capacity
Report by	Councillor Steve Gallant Leader of the Council
Supporting Officer	Stephen Baker Chief Executive Stephen.baker@eastsoffolk.gov.uk 01502 523210

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	All Wards

Purpose and high-level overview

Purpose of Report:

The need for additional corporate capacity has been recognised by the Council's Strategic Management Team for a while. It is self-evident that the Council is engaged on a wide and detailed agenda of activity and that this is creating significant pressure on the Council's senior officers. A recent Corporate Peer Challenge carried out by the Local Government Association in February 2022 has confirmed this; they recommended that an additional Director post is created to provide that extra capacity. Furthermore, they recommended that this post should be focused on corporate activity in order to maintain a strong governance 'grip' on the Council's corporate activity. This report proposes that the Council allocates provision within its Budget on an ongoing basis for a new Director post.

Options:

The Strategic Management Team has considered in detail how additional capacity would be incorporated into the Strategic Management Team. This has been distilled into the following options, all of which have been debated at length, the preferred option being Option 1:

- *Option 1 – Transfer specific responsibilities to the new post*
The simplest to implement with a structure based on a transfer of specific responsibilities to the new post, leaving the remaining responsibilities as allocated between the current members of the Strategic Management Team unchanged. This maintains continuity on key projects and work programmes.
- *Option 2 – Re-define the roles and line management of all Directors*
This option is based on grouping service areas together in a way that may generate some synergies and benefits, such as 'People' and 'Place'. However, this approach could give rise to potential conflicts of interest which weakens this as an option and can lead to an imbalance of workload between senior staff.
- *Option 3 – Allocate roles based on statutory and non-statutory services*
That the definition of 'statutory' and 'non-statutory' services is used to allocate service areas between the current two Strategic Directors. This is an option, but will lead to confusion in some areas, such as housing, that have both statutory and non-statutory elements.
- *Option 4 – No change*
To continue with the current structure in the knowledge that capacity is a significant issue and will likely impact on delivery of the Council's Strategic Plan.

Recommendation:

That a Supplementary Budget for 2022/23 and additional funding for future years be approved for the appointment of a new Strategic Director post to ensure that the Council has sufficient capacity at the most senior level to deliver its ambitious Strategic Plan, to maintain and strengthen its approach to corporate governance, and to enable greater senior officer support for service provision and project delivery.

Corporate Impact Assessment

Governance:

If approved by Cabinet, recruitment to the post will be undertaken immediately and given the strategic nature of the post, Members and senior Officers will be involved in the appointment process with the support of HR. Corporate governance involves the whole Council and all of the various service areas within it. This post will report direct to the Chief Executive.

ESC policies and strategies that directly apply to the proposal:

- East Suffolk Strategic Plan
- East Suffolk Medium Term Financial Strategy

Environmental:

No Environmental implications have been identified.

Equalities and Diversity:

There is no requirement for an Equality Impact Assessment in respect of this report. The recruitment process will be undertaken in accordance with the Council's Equality and Diversity Policy.

Financial:

This new post represents permanent growth to the budget from 2022/23, with full year costs estimated to be £151,000 including oncosts. It is the Council's policy that the salary for a Director post is no greater than 7 x the Full Time Equivalent salary of a salary Band 1 employee. In 2022/23, the appointment of the post will require approval of a Supplementary Budget, estimated to be £38,000.

Human Resources:

This report refers to the creation of a new post and, subject to Cabinet approving the necessary funding, it is proposed that recruitment will begin immediately.

ICT:

No ICT implications have been identified.

Legal:

No Legal implications have been identified.

Risk:

There is a risk that the Council will be unable to deliver its Strategic Plan in full without this additional resource. There is also a risk to the ongoing resilience of the Strategic and Corporate Management Teams if this extra resource is not provided. The Local Government peer challenge report (February 2022) identified that this extra resource would reduce the risk of any failings in the corporate governance of the organisation.

External Consultees:	None
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected? This proposal will strengthen the Council's ability to achieve the ambitions identified within the Strategic Plan and will further strengthen its approach to corporate governance.			

Background and Justification for Recommendation

1	Background facts
1.1	<p>The Council has embarked on an ambitious programme to deliver its Strategic Plan which consists of five main themes and the evolution of a sixth theme of 'Governance' which ensures that the right mechanisms are in place to deliver the Strategic Plan, including overseeing performance reporting and the governance of risks.</p>
1.2	<p>The senior management of East Suffolk Council comprises two teams; the Strategic Management Team which consists of two Strategic Directors and the Chief Executive and the Corporate Management Team which is made up of 11 Heads of Service + the Strategic Management Team. Heads of Service are line managed by members of the Strategic Management Team as below:</p> <p>Strategic Director (AJ):</p> <ul style="list-style-type: none"> • Housing • Economic Development and Regeneration • Operations • Customer Experience <p>Strategic Director (NK):</p> <ul style="list-style-type: none"> • Environmental Services and Port Health • Communities • Planning and Coastal Management • Digital and Programme Management <p>Chief Executive:</p> <ul style="list-style-type: none"> • Chief Finance Officer (and Section 151 Officer) • Legal and Democratic Services (and Monitoring Officer) • Internal Audit
1.3	<p>In addition to the above, a number of additional posts also report direct to a member of the Strategic Management Team as below:</p> <p>Reporting to the Chief Executive:</p> <ul style="list-style-type: none"> • Communications and Marketing • Human Resources and Workforce Development • Electoral Services • Suffolk Growth Partnership Manager (a county wide function funded by the Suffolk Public Sector Leaders' group). <p>Reporting to Strategic Directors:</p> <ul style="list-style-type: none"> • Political Assistants • Environmental Climate Change Lead Officer • Head of the Anglia Revenues Partnership • Delivery Manager • Active Suffolk
1.4	<p>The Council commissioned the Local Government Association to undertake a Corporate Peer Challenge in February 2022 which covered five core elements:</p>

	<ul style="list-style-type: none"> • Local priorities and outcomes • Organisational and place leadership • Governance and culture • Financial planning and management • Capacity for improvement <p>Peer challenges are an established tool for providing objective, robust, strategic and credible challenge and support to councils by bringing together a review of political and managerial leadership, through the use of member and officer peers. Feedback from a Corporate Peer Challenge helps councils to gain a better insight and helps to identify areas where we could improve our effectiveness. It is recognised best practice and the Local Government Association recommends that all councils should undergo a Peer Challenge at least every five years.</p>
1.5	<p>During the process of the Peer Challenge, under the 'Organisational and place leadership' element, the Peer Challenge Team observed that:</p> <p><i>"There is a strong sense of 'one council' which galvanises the organisation and energises the workforce to do whatever it takes to deliver on the plans. There is a risk that the levels of energy required to serve the level of ambition over time are not sustainable. The Council should reflect and question if it has the right level of leadership capacity at senior levels for both Members and Officers."</i></p> <p>This observation led the team to make the following key recommendation:</p> <p><i>"Address your senior corporate capacity gap as quickly as you can."</i></p> <p>The Peer Challenge Team's report also made a specific comment and recommendation about how the gap in capacity should be filled:</p> <p><i>"Capacity at strategic corporate management level is urgently required to improve the support to your heads of service and wider workforce. This is not specifically about providing an additional level of oversight, however more focused on supporting strategic decision-making so Heads of Service feel supported. A corporate focused director will be able to provide oversight across the different functional areas and provide line of sight across the range of work programmes. Increasing strategic corporate management capacity should support achieving more 'grip' around some of your corporate processes and provide further accountability to ensure these are aligned to the achievement of your Strategic Plan."</i></p> <p><i>A corporate focused director could be made accountable for providing leadership to the next stage of the organisations development and ensure there is adequate alignment between for example the Council's processes, resources, culture, systems and the ongoing requirements of the Strategic Plan. The role would be pivotal in ensuring existing plans such as the People Strategy (including recruitment and retention, pay and reward) and existing frameworks, for example performance management and programme management, continue to evolve and adapt alongside the Council's ambitions and Strategic Plan."</i></p>

	The message from the Peer Challenge Team was clear; given the size of East Suffolk Council, its scale and the projects and activities that it has underway, and those planned but yet to start, it needs extra capacity at the most senior leadership and management level.
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2 Current position

2.1	<p>East Suffolk Council has a population of over 250,000 and a geography of 487 sq miles. With 178 town and parish councils, there are areas of affluence which contrast starkly with areas of significant deprivation. East Suffolk is also home to many major developments, from energy infrastructure to housing development, from Port upgrades to new transport infrastructure. The Peer challenge Team had all of this in mind when reflecting on the Council's corporate capacity, as did the Strategic Management Team when they recently reviewed the challenges currently facing the authority. Some of these challenges have been captured below and appear in no particular order:</p> <ul style="list-style-type: none"> • Response to Environmental / Climate Change challenge • Freeport East • Engagement with Health & Wellbeing challenges and Integrated Care Structures • Local Enterprise Partnership review • Lowestoft Flood Risk Management Project • Coastal Protection initiatives • Major development in North Felixstowe • Lowestoft Towns Fund / Place Board • Regeneration of Lowestoft Town Centre • Review of organisational capacity • Implementation of local authority trading companies • Develop partnership working • Development of agile working / future accommodation needs • Community Partnerships • Deprivation / inequality/ hidden needs • Asset development and management • Asylum seekers / refugee support • Develop events potential • Address recruitment and retention / pay review • Levelling Up/County Deal and Devolution • Offshore wind development and onshore infrastructure • Nationally Significant Infrastructure Projects including Sizewell C • Wider infrastructure challenges (road, rail and utilities) • Southwold Harbour • Housing stock retrofit • Housing Services - tenant engagement • Digital development (community) • Digital / ICT capacity and maximising productivity • Financial challenge and delivery of the Capital Programme • Cost of living crisis - impact on budgets and communities • District Election 2023
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	<ul style="list-style-type: none"> • Development/refresh of a new Strategic Plan • Port Health and impact of EU Exit • PHILIS / NEOMA – next steps • Government's Waste Strategy (RAWS)
2.2	Few other councils have a list of challenges like this and it is important to provide the appropriate capacity to respond to this workload, enable staff to deliver and support Members as they deliver for their constituents.
2.3	It should be noted that although this additional resource will help to free up capacity in order to deal with the external challenges that we know are coming our way, it is also the intention to use the additional resource to focus on the effect these challenges will have on the areas which it is intended the new Director will be responsible. This will include the impact on our existing policies and approach, the Strategic Plan, our organisational review and development etc.
2.4	It is recognised that the existing Directors are fully stretched and extra capacity is required to ensure that existing staff can perform better, be more focused and provide more support for Corporate Management Team colleagues.

3 How to address current situation

3.1	The need for new, additional, corporate capacity has been recognised by the Strategic Management Team for a while. It is self-evident that the Council is engaged on a wide and detailed agenda of activity and that this is creating significant pressure the Council's senior officers. The recent Corporate Peer Challenge by the Local Government Association has confirmed this, recommending that an additional Director post is created to provide that extra capacity. Furthermore, they recommend that this post is focused on corporate activity, to maintain a strong governance 'grip' on the Council's corporate activity.
3.2	The Strategic Management Team has considered how this new role could be implemented and the responsibilities it would take on. They also discussed the 'knock on effect' on the portfolios of the other two Directors and the Chief Executive. Four options were debated at length, as referenced above, with Option 1 considered the most effective way forward.
3.3	The options have also been considered by the Council's Leader and Deputy Leader as well as the Cabinet Member with responsibility for Resources and the Leaders of the Labour Group and the GLI Group.
3.4	<p>Having identified Option 1 as the way forward, subject to Cabinet agreeing budget provision, an organisational review will take place in three phases:</p> <ol style="list-style-type: none"> I. Recruit a new Director for corporate services, with the consequent changes to Director portfolios. II. Review the Corporate Management Team structure to ensure it is appropriate for future challenges and 'fit for purpose' given those challenges. III. Make the necessary adjustments within service areas, below Corporate Management Team level, to ensure services work effectively, are streamlined and reflect future demands. <p>It is proposed that this new post will have the same Job Description as the existing Strategic Directors.</p>

3.5	It has long been recognised that the Council lacks capacity in the area of policy development in which case this will be added to the responsibilities of the new Director post and will neatly align with the Strategic Plan work that is led by the Head of Digital and Programme Management who will also be allocated to this post.
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4 Reason/s for recommendation

4.1	The recommendation in this report is considered to strengthen the Council's existing senior leadership team and will provide the capacity and resource required to deliver the Council's ambitious work programme whilst further reinforcing the Council's governance processes.
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Appendices

Appendices:

None.

Background reference papers:

Date	Type	Available From
May 2022	Peer Challenge Report	LGA Peer Challenge » East Suffolk Council