

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

<b>1.</b>	<b>Meeting:</b>	<b>Council</b>
<b>2.</b>	<b>Date:</b>	<b>3<sup>rd</sup> June 2015</b>
<b>3.</b>	<b>Title:</b>	<b>Organisational Review of Rotherham Council – Laying the Foundations</b>
<b>4.</b>	<b>Directorate:</b>	<b>All</b>

### 5 Summary

5.1 One of the key tasks of the Government appointed commissioners has been to review the management structure of Rotherham Council and make recommendations, while at the same time producing a corporate Improvement Plan for submission to the Secretary of State by 26<sup>th</sup> May 2015. Undertaking a senior management review has been particularly urgent because of the gaps in permanent management appointments at the top of the organisation, following resignations and retirements. In addition the report makes some recommendations in some other specific areas, for example in relation to the restoration of key parts of the corporate management of the organisation; democratic services and the communications function.

5.2 The terms of reference for the organisational review are:

To review the current organisational structure of Rotherham MBC, with a particular focus on

- a) The authority exercising effective corporate governance and meeting the Best Value requirement to secure continuous improvement
- b) Its ability to achieve maximum economy, efficiency and effectiveness
- c) Making the operation of the organisation as transparent and corporate as possible
- d) Relationships with partners and the Council's ability to keep children and vulnerable adults safe and to tackle child sexual exploitation
- e) How the authority promotes the economy and the opportunity for local people to prosper
- f) The context of tight financial resources and the need for future savings.

## **6 Key proposals**

The key proposals in the report are as follows:

**1 Second tier job titles to be changed from “Director” to “Assistant Director”**

**2 Creation of the post of Strategic Director for the new Directorate of Community Well-being and Housing to include Adults Services and most of Housing and Neighbourhoods Services**

**3 Director of Public Health to report directly to the Managing Director/Chief Executive**

**4 Creation of posts of Assistant Director Strategic Commissioning and Assistant Director Independent Living and Support for the new Community Well-being and Housing Directorate in relation to Adult Social Care Services**

**5 The existing retitled post of Assistant Director Housing and Neighbourhood Services should be within the Community Well - being and Housing Directorate**

**6 Deletion of post of Director of Human Resources and creation of an Assistant Chief Executive Partnerships, People and Performance**

**7 Creation of a Strategic Director Finance and Corporate Services post**

**8 Human Resources to be managed by the new post of Assistant Chief Executive**

**9 Inclusion of Scrutiny in Democratic services, creation of a Democratic Services Manager post and transfer of Democratic Services into the management of the Assistant Chief Executive**

**10 Creation of a new Corporate Performance Team to be created initially from existing staff from within the authority**

**11 Re – creation of the Equalities function to include responsibilities for helping to support cohesion, to be located in the Policy and Performance Team**

**12 Creation of a Voluntary Sector Liaison Manager**

**13 Restructuring of the Communications Team**

**14 Deletion of post of Director of Transformation (formerly known as Internal Audit and Asset Management) and creation of post of Assistant Director Audit, ICT and Procurement**

## **15 Creation of post of Assistant Director Community Safety**

## **16 Transfer of Asset Management permanently into Environment and Development Services.**

### **7 Finance**

Some of the costs of the new posts created are already in the budget. However there will be some new costs which including on-costs at current estimates would be a minimum of £218,807. The costs will be covered from the savings being driven out of “all service reviews” being done as part of the budget processes currently being set up for the 2016/17 budget. There are areas where other savings can be made through improving systems and driving out the time-wasting of repeat and ineffective work. There are likely to be a small number of savings in the area of Communications and Marketing. The detail of this will depend on which staff members are appointed to the posts in the new structures and how many redundancies are generated. All of the new posts will be paid at the levels in the normal salary scale and job evaluation scheme. There will be no extra payments unless unsuccessful recruitment processes make this absolutely necessary.

### **8 Benefits**

Implementing these proposals will bring the following benefits:

- Beginning the process of getting best value in management costs across the council
- Reinforce the importance of democratic services supporting Elected Members
- Clarify the permanent structure to the benefit of members, staff and public
- Enable recruitment to key posts
- Enable progress forward on the sustainable changes to the council which are needed
- Enable the council to take all the steps necessary to support Children and Young People’s Services in providing high quality children’s social care and tackling child sexual exploitation
- Restore capacity to elected members and the future chief executive to have oversight of the performance and priorities of the whole council.

## **9 Key Recommendations**

**It is recommended that**

- a) The proposals listed should be agreed**
- b) Formal consultation on the proposals should take place as soon as possible**
- c) Subject to the outcome of those consultations an implementation plan should be produced and staged implementation should take place**
- d) Budgetary consequences should be factored into budget planning for late 2015/16 and for the coming financial year 2016/17.**

## **10 Background papers**

The following background papers were considered as part of this report:

- Independent inquiry into CSE in Rotherham, by Professor Alexis Jay (26<sup>th</sup> August 2014)
- Ofsted Inspection of Services for children in need of help and protection, children looked after and care leavers *and* the Review of the effectiveness of the Local Safeguarding Board (19<sup>th</sup> November 2014)
- Louise Casey Corporate Governance Inspection report, on the council's ability to deliver on its best value obligations (4<sup>th</sup> February 2015)
- Secretary of State Directions to the Council (26<sup>th</sup> February 2015).
- Children & Young People's Services Improvement Board Action Plan
- DCLG Best Value Statutory Guidance (September 2011)
- Rotherham Improvement Plan "A Fresh Start" (May 2015).

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## MAIN REPORT – ORGANISATIONAL REVIEW ROTHERHAM COUNCIL

### LAYING THE FOUNDATIONS

**“A Best Value authority must make arrangements to secure **continuous improvement** in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (LGA 1999, section 3[1])”**

- 1 Rotherham Council has been nationally profiled in the wake of the Jay Review, the Casey Corporate Governance Investigation and an Ofsted review. In response to these reviews and the concerns about the Council’s response to criminal acts of child sexual exploitation. In February 2015 five commissioners were appointed by the Secretary of States for Communities and Local Government and Education.
- 2 As set out in the summary above, it has been necessary to undertake an organisational review predominantly addressing senior management arrangements but also dealing with a number of issues related to the effective corporate management of the authority.
- 3 The review has of necessity been short and sharp, addressing the most urgent issues, laying the foundations for the right senior staffing structures and accountabilities and giving some stability to the Council. It has been undertaken by me as Commissioner and Managing Director and will signal some areas where further work will need to be undertaken. It has not cut across the work being done on the structure of Children and Young People’s Services which is being dealt with by the Commissioner for Children’s Services and the Strategic Director, Children and Young People’s Services.

#### The context of Rotherham

- 4 The Council is has the powers and duties of all aspects of local government services. As a mixed very urban and rural metropolitan borough it has to consider the different needs across the authority. It is part of the metropolitan area of South Yorkshire and is served by police, fire and other regional bodies. The population of Rotherham has increased by 10,400 (4.2%) since 2001 to reach a record 258,700 in 2013. Population projections suggest that the population will increase by about 1,000 a year, to reach 266,500 by 2021. Rising life expectancy, more births than deaths and migration are all factors causing the population to increase. Rotherham has a number of thriving industries and has made great strides since the decline of the historic steel and coal industries, but it continues to be the 53<sup>rd</sup> most deprived district out of 326 districts in England.
- 5 Black and Minority Ethnic (BME) groups make up 8.1% of the Borough population (2011 Census), with those of Pakistani or Kashmiri origin being the largest community. Smaller BME groups include Slovak, Czech and

Romanian Roma, Black African, Irish, Chinese, Indian and Arab. In 2008, 40.9% of the relevant cohort obtained 5 or more GCSE's A\*-C including English and Maths but this had increased to 57.3% by 2014. Rotherham was 6.7% below the English average in 2008 but in 2014 was 3.9% above average. This of course shows that there is still much more progress to be made to increase these levels of achievement. The 2011 Census shows that 20.6% of people aged 16-64 in Rotherham had no qualifications compared with 14.8% in England. These figures just give a flavour of the issues facing Rotherham Council.

## **Current Senior Management Structure**

- 6 The current senior management structure is in a transitional position. Attached at **Appendix 1** is the Rotherham Council Management Structure 2014 pre December 2014, with three Strategic Directors and eleven second tier officers known as Directors, including the Director of Public Health as a second tier officer in the former Neighbourhood and Adult Services Directorate. There had been a Strategic Director (Resources) in the structure originally, but this had been deleted in 2012 when the post-holder left the Council and the three functions of finance, HR and Legal and Democratic Services reported directly to the Chief Executive until earlier this year. The post of Monitoring Officer has been held by the Director of Legal and Democratic Services. The post of S151 Officer had been held by the Director of Finance, now Acting Strategic Director. Following the departure of the two remaining Strategic Directors and the Chief Executive in late 2014, elected members and the Interim Chief Executive made arrangements to secure the management of the organisation and co-operate with the appointment of the Children's Services Commissioner, to improve Children and Young People's Services. This meant:
- appointing a Strategic Director Children and Young People's Services on a fixed term contract (initially one year, then extended to two)
  - creating and filling internally a post of Acting Strategic Director retitled Resources and Transformation overseeing the full range of corporate services – Communications, Human Resources (including shared HR transactional services with Doncaster), ICT, Insurance and Risk, Internal Audit, Legal and Democratic Services, Procurement as well as the direct service of Revenues and Benefits
  - not filling the Strategic Director Neighbourhood and Adult Services and appointing an acting Director (second tier) of Adult Services
  - redistributing the non-Adult Services functions of NAS and Asset Management functions previously held with Audit, to the substantively held post of the Strategic Director Environment and Development Services

- attaching a lead role on Transformation to the Director responsible for Internal Audit , ICT and Procurement .

This transitional structure with which elected members and commissioners are working currently is set out at **Appendix 2**.

### **History of Recent Management Restructurings in Rotherham**

- 7 Examining the history of restructurings from 2003 onwards, there has been a gradual reduction in the numbers of second tier officers (Directors). There have been models with one or more than one Assistant Chief Executive and then later, moves to absorb those functions into responsibilities of Strategic Directors. One issue is marked over time – the relative lack of profile of Policy and Performance functions in the overall structure of the council in particular at the corporate centre, despite the existence of performance and quality staff. These are essential functions to support the ability of elected members and the chief executive, first to keep a grip on how the authority is performing, and second, to research and initiate policy and challenge the practice of service departments and produce innovative policy in a constructive way. In most authorities one of the key roles of this kind of Policy and Performance function is also to take joint lead of the budget process with Finance colleagues.

### **Key organisational and philosophical questions**

- 8 There are of course different views about the best way to organise local authorities and trends come and go. Key questions are:
  - To what extent should there be central resource to support taking an overview of the whole authority and driving corporate behaviour?
  - What is the balance between the strategic and the operational?
  - How to get value for money from senior management costs while not making jobs “undoable” because of the number of responsibilities they carry?
  - What levels of support services (human resources, finance, legal, procurement and ICT services) are needed to make the authority work but not over-burden it with overhead cost?
- 9 Central to this issue is of course productivity. If you have well – managed, high performing staff at every level, junior and senior then you need fewer of them, and you can, with the right performance indicators and financial information, be confident that you are achieving value for money.

### **Management structures in other authorities**

10 In the time available it has not been possible to do a full – scale, systematic review of alternative management structures used in other authorities. However I have looked at other medium sized metropolitan authorities across the country eg Leicester, Coventry, Doncaster and Gateshead and found that the numbers of Strategic Director level and next level posts are not dissimilar to those proposed in this paper. The number of Strategic Director posts varies between four and three (plus a Director of Public Health), but where there are three there tend to be more tiers underneath e.g. posts of Deputy Director. Some have an Assistant Chief Executive, some do not. Some have Director of Public Health embedded in Adult Services, some have the Director reporting directly to the Chief Executive as is proposed in this paper. In the context of Rotherham I would advise a four Strategic Director structure, in particular not having a single post for Children’s and Adults’ services, given the major challenges which face Children’s Services and the need for a longer term programme of improvement in Adult Social Care.

### **The Rotherham context**

11 The reports and inspections in relation to Rotherham have focused on corporate failings such as lack of leadership by members and officers and a lack of vision and strategy to drive the authority forward. The failings in children and young people’s services appear not to have been visible to the rest of the organisation and there is no corporate performance framework. At the same time there are issues where corporate standards are required, such as completion of the Forward Plan or quality of report writing, which have not been clear and where high standards have not been met. Organisational structures are not the answer to all these problems, but the way in which you set up management structures can make it harder or easier to manage. In addition, structures can be symbolic of the state of the organisation. If there appears to be no consistency between the style of job titles, numbers of levels of management and spans of control this is often symbolic of a lack of control of the overall organisation. At the same time there are differences between services and a management structure which might suit environmental services, might not suit learning disability services.

12 Key points to bear in mind in effective structures are:

- The most senior managers in the authority must be responsible for the effective operation of their services as well as being able to think and act strategically, summed up by the phrase “feet in the mud , head in the skies”
- If you remove capacity to challenge and manage from elected members and the chief executive, the council will lose its ability to be effective

- The avoidance of confusion is imperative – if accountabilities are not clear then it enables officers to claim lack of clarity as an excuse for failure
- There will always be complexity and the need to work across the council on certain issues – it is rare for a service to be able to achieve anything alone, without the support of another service whether it be finance, communications or health and safety.

13 In the recently published Improvement Plan we have spoken about being a child-centred borough. This is not an issue which is directly addressed just by structural changes, although of course these are important in terms of managerial oversight and accountability. Issues about being “child-centred” relate to how much focus we give to children and young people in all our daily work and how in every aspect of the council we seek to fulfil the key aims of the Children and Young People’s Improvement Plan, that

- Children and young people are healthy and safe from harm
- Children and young people start school ready to learn for life
- Children, young people and their families are ready for the world of work.

The Council’s Improvement Plan “A Fresh Start” says more about this concept.

## **MANAGEMENT STRUCTURE PROPOSALS**

### **Key strategic issues**

14 This report is not designed to be a thorough look at the whole management structure. That process will need to take place as part of budget – related service reviews. However, there are urgent steps which need to be taken to stabilise the management, give elected members confidence that their council is in safe hands and the workforce confidence that they are being well – led. There are some specific proposals about key service areas such as Communications and Democratic Services where, although there is good work done by those teams, changes are essential to make the functions more effective.

### **Lack of focus on performance and driving continuous improvement**

15 Examining structure changes in the Council over the last few years they evidence an overwhelming drive based on a wish to save money (sometimes in the wrong places or in the wrong way), without focusing enough on what the qualitative needs of a complex strategic and operational organisation are. The last mention of a senior level filled post dealing with corporate

performance on the structure chart is in the structure chart of 2012. By 2013, the post is vacant and since then it has disappeared altogether.

### **Strategic corporate services**

16 In addition to the evident lack of focus on performance management and quality at a corporate level, it is also clear that, despite interesting developments (like the shared services arrangements with Doncaster for Human Resources transactional services and Internal Audit) there has not been much strategic focus on how corporate support services are provided and what strategic drive they can provide to improving the performance of the council. This report therefore contains proposals to address this, including creating the posts of Strategic Director Finance and Corporate Services and Assistant Chief Executive (focusing on Human Resources, Democratic Services, Communications, Partnerships, Policy and Performance).

### **Effective senior officer leadership**

17 Criticism of senior leadership in the Casey Report related just as much to officers as to elected members. It is essential that there is sound, stable leadership at the top of the organisation. Making sure that the council has an effective top team is an urgent priority as without this the authority will not be able to move forward. Elected members will not feel they have staff who are in it for the longer term and staff will feel that there is continuing instability. The proposals below are designed to enable the authority to get to that point as quickly as possible, building on some of the steps taken by Members and the Interim Chief Executive Jan Ormondroyd earlier in 2015. The proposals do not refer to the appointment of the Chief Executive, which is an essential component of this process. Commissioners are keeping this issue under review, but subject to the rate of progress on some key management issues it is possible that advertising for this post will take place in Autumn 2015.

### **Consistency and transparency of job titles**

18 One of the first key principles behind the restructuring is to make the structure transparent and understandable to elected members, staff, the public, partners and national organisations. Job titles may seem like a trivial issue to some, but one of the very first issues which has struck those involved in the organisation from outside Rotherham, is the confusing nature of the title "Director" used at the second tier of the organisation i.e. under Chief Executive and Strategic Directors. The use of this title leads to confusion within the authority when discussing different posts and responsibilities, but even more so to those outside where the normal expectation would be that the Director would be someone at first tier level (equivalent to Rotherham's Strategic Directors). In many local authorities (particularly in metropolitan authorities like Rotherham) those people at second tier levels would be either

Heads of Service, or Assistant Directors. It is important that Rotherham does everything it can to avoid ambiguity of how it works, both to its staff and to those outside the authority, so it is proposed, subject to consultation, to change the existing “Director” job titles to “Assistant Director” as soon as possible. Job titles are symbolic of the organisation and they need to make sense and be in plain English.

## **DIRECTORATE OF COMMUNITY WELL- BEING AND HOUSING**

### **Creation of this Directorate**

- 19 It is proposed that the Adult Social Care and Housing functions be brought together in a new Directorate called Community Well-being and Housing . This title is deliberately different from the old Neighbourhood and Adult Services (NAS) as it is designed to reflect the current emphasis on caring for people in their own community for as long as possible and make links to maintaining the well-being of the population in every way. And of course Housing, both strategically and operationally is an important partner in those tasks.
- 20 In addition to the Housing and Adult Social Care functions, the previous NAS Directorate also had a range of environmental functions which this report proposes stay with Environment and Development Services, where they have been in the transitional structural arrangements since December. The title and composition of the new Directorate reflects the:
- Need to provide diverse, universal services in the community which elderly people, adults with learning and physical disabilities and their carers can access according to their choices
  - Importance of housing (both private housing and social housing) and related services in prevention and whether people can stay in their own home
  - Need for communities to be not just about bricks and mortar, but also about the quality of life and well-being which people who live in Rotherham wish to create for themselves, supported by elected members and council officers
  - Profile of Health and Well-being and the governance structures which surround it, which in turn need to be aligned with the Safeguarding Boards for Children and Adults and the Children and Young People’s Partnership/Children’s Trust (currently being reviewed).

### **What posts are needed to make this work?**

- 21 Currently there is a senior experienced interim health and social care first tier manager leading the adult social care functions at the existing director level.

He has been commissioned by me to make proposals for restructuring in adult social care services. These are predominantly concerned with the current senior management structure, but also relate to the philosophy and quality of services which the Council with its partners can offer to elderly people and learning and physically disabled adults in Rotherham. In the longer term, changes are also likely to bring savings to contribute either to reinvestment in services, or to the budget challenge facing the authority. A key part of this work in conjunction with colleagues in Children and Young People's Services, will be on having a proper "jointly owned" "Transitions" service to handle transition in support from the Children and Young People's wing of the authority to Adults, as young people move into adult-hood. The history of the transition of responsibilities for young adults has been chequered in local government and it is imperative that Rotherham can be confident of how it is handled here.

22 The programme of work required in the new Directorate to modernise services and reflect the wish to sustain people in the community for as long and as much as possible will demand long-term commitment and persistent focus on modernising services for local people so they are in full command of their lives and living independently as long as possible and permanent senior staff are needed to deliver that.

23 The proposed posts at a senior level in this Directorate are:

- Strategic Director (Community Well-being and Housing) (New but budget available)
- Assistant Director Strategic Commissioning (New but budget available)
- Assistant Director Independent Living and Support (New, new funding required)
- Assistant Director Housing and Neighbourhood Services (Existing, with some adjustments).

24 This will mean that there are two second tier posts dealing with Adult Social Care, rather than one – a fairer reflection of the challenge of providing a range of high quality services to growing numbers of older and disabled people, many of whom wish to retain their independence for as long as possible, while being able to access support at the right stage in their lives.

25 Moving towards this structure will be a gradual process given the need to accommodate running the Council's direct services, so implementation will be phased, but subject to agreement to these proposals, there would be early

recruitment to the new Strategic Director post and the two new Assistant Director posts.

26 The functions of:

- Environmental protection regulation and enforcement
- Noise and pollution control, statutory nuisance
- Enviro-crime enforcement
- Traveller/Gypsy Land trespass
- Licensing enforcement – taxis, licensed premises

which were previously in Housing and Neighbourhood Services, will remain in the Environment and Development Services Directorate, where they have been transitionally. They will not be part of the Community Well-being and Housing Directorate as their functions will have more impact linked with the other environmental and community safety functions in EDS. The private sector housing standards function will however remain in Housing and Neighbourhood Services.

27 Anti-social behaviour and community safety functions will also be transferred from Housing and Neighbourhood Services into the Environmental and Development services under a newly created Assistant Director Community Safety (see paragraph 49).

28 Implementation of the proposal to create the new post of Strategic Director (Community Well-being and Housing) and recruit to it should be immediate. This is essential not only to give confidence to elected members and staff that there is a permanent post-holder for adult social care and housing services, but also so that the new postholder can make a confident contribution to the corporate leadership and management of the authority, and can work positively with partners, particularly in the health and voluntary sectors. Creation of the two new Assistant Director posts and deletion of the existing one will be linked with the restructuring of the manager level in Adult Social Care, which will release funding which can go towards the funding of this second Assistant Director post.

### **Creation of an Assistant Chief Executive Partnerships, People and Performance**

29 The Assistant Chief Executive, Partnerships, People and Performance would manage

- **Human Resources**
- A new **Corporate Performance** team to be created initially from existing staff from within the authority
- The existing **Policy and Partnerships** team which includes support to the Rotherham Strategic Partnership and a range of related partnerships, a very small policy function, and corporate complaints
- **Voluntary sector strategic liaison** (one new post to be drawn from existing staff)
- **Communications** – the existing (restructured) communications function (see below)
- A recreated **Equalities and Cohesion** function, drawn from existing staff, currently placed in Housing and Neighbourhood Services with reconstructed post or posts.

The post of Director of **Human Resources** would be deleted.

## **Human Resources**

30 The Human Resources function is a critical strategic function of the authority. In the light of the criticisms of Rotherham, how the authority uses human resources strategy and supports those who are leading and managing the authority and the workforce generally, is critical. It is therefore proposed to have this function reporting to the chief executive through a new post of Assistant Chief Executive whose responsibilities will bind together some of the lynch – pin corporate functions which influence the success or failure of elected members and chief executive. Human Resources in Rotherham covers the strategic functions of policy, industrial relations and organisational development, along with “consultancy” which focuses on more complex HR cases where managers need support and the shared transactional services between Rotherham and Doncaster (Payroll and HR advice). They must be a key strategic player in how the authority moves forward, acting as and being seen as strategic thinkers and influencers, not just guardians of procedures. When advertised, the post of Assistant Chief Executive will be promoted as a post which can either be filled by someone with a strong HR background but who also wants to work with Members, work on performance etc, or as someone with a Policy and Performance background used to working with Members, but with a strong interest in HR.

## **Transfer of Democratic Services into the management of the Assistant Chief Executive, inclusion of Scrutiny within Democratic Services and re-creation of a Democratic Services Manager post**

- 31 Services which would normally be covered by the title “Democratic Services” are to some extent, fragmented. Democratic Services currently contains committee services, services to members including PAs to the Leader, Mayor and Deputy Leader and two members of staff working partly for the rest of the elected member group and partly supporting Education Appeals. There is a post - holder with the title of Democratic and Business Support Manager but in fact much of his work does not relate to Democratic Services and his post was adjusted as the result of a deletion of a Democratic Services Manager post in the past. The Scrutiny function is seen as a separate function from the rest of Democratic Services even though its role is fundamentally to support elected members in the specific activity of Scrutiny. There are of course a number of important Town Hall and mayoral functions. One of the results of the loss of a “true” Democratic Services Manager post has been the loss of a clear focus for elected members as to whom they can go to (below the level of Director of Legal and Democratic Services) when they have issues in relation to the governance of the council and the support of their needs. There has also been less opportunity to drive continuous improvement in this area because of the management structures which have existed.
- 32 There are issues about the balance of resource in Democratic Services, where there are 4.8 full time equivalent posts(FTE) supporting the Scrutiny function (and work on supporting member induction and some smaller functions), 4 FTE providing support to committees and 4 FTE giving support to Leader, Mayor and Deputy Leader and all remaining elected members. These are in addition to the Town Hall support services. This means that the support provided to elected members generally, to pursue casework and deal with correspondence from the public is slim and not as focused as it could be although this is supplemented by the work of Scrutiny. Again there needs to be some thought about how the overall resource is used, with the potential to move one member of staff from Scrutiny to lead Members Services and improve support services to the wider group of elected members.
- 33 It is recognised that the Director of Legal and Democratic Services carries a significant burden of legal work, as well as being Monitoring Officer and having electoral responsibilities for elections and electoral registration, in particular in the coming year, having to recruit a new Electoral Services Manager. At the same time there is considerable work to be done in Democratic Services to upgrade the quality of governance systems for elected members. There is a valuable opportunity with the creation of the Assistant Chief Executive post to ensure that Democratic Services is a part of the drive

to give proper pro-active support to elected members allied to the strengthening of corporate functions generally. It is therefore proposed:

- a) To include the Scrutiny function within Democratic Services
- b) To re-create the post of Democratic Services Manager to give the right level of drive and impetus to be continuously improving the service to members and governance and decision-making processes of the Council
- c) To transfer the Democratic Services function to the management of the Assistant Chief Executive to enable a clear focus on Members' day to day requirements and energetic management of all the other Democratic Services including Scrutiny.

Democratic Services would continue to work closely with Legal Services but with a new focus on being a fundamental point of corporate decision-making and the celebration of democracy. Within the informal consultation which has taken place prior to publication of this report, there have been some concerns about splitting Legal and Democratic Services, due to the need for close working on some issues. However, this close working can still take place, with the advantage of a new impetus behind Democratic Services, and placing Democratic Services within the new Assistant Chief Executive function remains the proposal.

### **Creation of a new corporate performance team to be created initially from existing staff from within the authority**

34 In early 2015 38.6 staff across the whole Council were engaged on "performance and quality" activities. The role of these staff varies and they are vital to providing and analysing essential management information and service data needed to run day to day services. They are particularly important in Children and Young People's Services and Adult Social Care where a great deal of reporting to inspection services and government departments is required, as well as tracking inspection outcomes, good practice and innovation inside and outside the Council and keeping up with UK and international trends in service delivery. But currently none of these types of staff are located at the centre of the organisation or providing an overview of the information needed to manage all the Council properly. This means that leading members and the chief executive have not been equipped to track the performance of the organisation overall and where its strengths and weaknesses lie. A normal function within most large local authorities would be to have either a small performance function at the centre, usually

linked to the policy function, to take an overview of detailed performance data collected by such services as Adults Social Care, Children's Social Care, Education, Environment, Housing or to have a single corporate unit which supports all services. Performance teams also keep track of inspections and other quality assurance processes, co-ordinating these to varying degrees depending on the capacity of the authority. This function is often also linked to a research function just as in a commercial business, looking at the policies and performance of other authorities to enable members to challenge their own services. For this reason the work of this type of function can also prove helpful to the scrutiny function in the Council.

35 It is understood that there have been significant reductions in the numbers of staff working on performance and quality over the years and this report does not attempt to do a detailed analysis of exactly the skill mix and tasks the current services are currently engaged on which will be looked at in more detail. This recommendation does however highlight the need to configure the resource available to supply the material which will be required by the chief executive and the elected members to drive the authority's policies, services and continuous improvement within the policy function. This will of course be closely linked to the driving of the future corporate performance framework, an important part of the Council's Improvement Plan objectives.

36 We are currently looking at an option where Children and Young People's Services retain their own performance and quality function for the foreseeable future given the necessary focus on achieving outstanding services, but we are proposing a single corporate performance function, based on the function currently based in Adults Services, which already deals with Adults services, EDS and Public Health to support Members, the Chief Executive and the relevant service department. Outside this report, there are discussions taking place about proposed levels of staffing.

### **Re – creation of the Equalities function to include responsibilities for helping to support cohesion**

37 Until recent organisational arrangements, there was a recognised Equalities function within the Council ensuring that the Council met legislative requirements and served all its communities fairly. However the staff were transferred into the Housing and Neighbourhoods function. Some posts have been deleted, others have become community engagement officers working with groups locally through the mechanism of housing and estates. These moves have had the effect of removing corporate impetus to drive proper attention to Equalities including the provision of advice on Equality Impact Assessments, an essential part of policy-making. The proposal is that the Council recreates the Equalities function, with a new structure of one to two

posts, structure and grading to be agreed, but to be drawn from existing budgets through redeployment of staff and associated budgets. This should be done immediately. The Equalities function should be located in the Partnerships and Policy team.

### **Creation of a Voluntary Sector Liaison Manager**

38 On reviewing the existing functions of the council, one of its striking features is the lack of any single post with responsibility for voluntary sector liaison, a key component of being able to work positively with key partners in the voluntary sector. Inevitably a range of council staff have contacts with the voluntary sector, particularly Children's and Adults' services. However there needs to be a strategic focus on the Council's relations with voluntary organisations individually and Voluntary Action Rotherham. It is proposed that an Assistant Director in the authority should be asked to play a role as Strategic Lead as part of their job, with redeployment of a funded officer at M3 level as all or part of their role to do this. There are two possible choices about the location of that post – either centrally as part of the partnership team or as part of Adult Social Care. In order to reinforce the importance of working with the voluntary sector and making the links with the partnerships team, it is proposed to place the post under the Assistant Chief Executive Partnerships, People and Performance.

### **Restructuring of Communications and Marketing Function**

- 39 While working with the media is often what people think of when they think of communications, in fact it includes issues like the vital job of communicating with our partners and local people, supporting management in communicating properly with our staff - getting out common messages, keeping them up to date and reminding them of the purpose and values of the Council; marketing our services, for example the museum; running campaigns on issues like attracting more foster carers, public health and environment and of course making sure that what we put on the internet or intranet is well – communicated.
- 40 A separate more detailed paper is currently out for more informal discussion directly with Communications and Marketing staff but in conjunction with the Head of Communications and Marketing, I am proposing a restructuring which aims to have a more strategic and integrated approach to managing the vital functions of the Council's external and internal communications.
- 41 The Head of Communications and Marketing post will remain, with a specific focus on supporting a forward communications strategy and there will be a Communications Manager post dealing with internal communications, the website and intranet, a smaller Design and Creative team including web designer, supporting the Chief Executive and Assistant Chief Executive and

deputising for the Head of Communications and Marketing. There will be three integrated teams supporting Directorates - Children and Young People's Services; Community Well-being and Housing and Environment and Development Services and Finance and Corporate Services - developing some expertise in the services they support. Discussions are underway about the Online Services team.

42 Staff will need to be more multi-skilled and flexible in dealing with the wide variety of communications tasks in line with the need to communicate in a wide range of media to a wide range of audiences. Staff will of course be supported as they learn some new skills but it will require a new approach with new job descriptions and specifications. There will continue to be some areas of specialist skills.

43 We are proposing transferring some functions out of Communications e.g. Events and Online Management to Planning, Regeneration and Culture, and Customer Services and Libraries, respectively, to ensure more emphasis on common styles, presentation and alignment with what we present to the public audience on the website.

44 The aim of these proposals is to :

- Provide a more flexible sustainable overall management structure to the communications service
- Continue to have the appropriate focus on media-handling
- Set up more integrated, multi-skilled support to the service directorates, while retaining the necessary corporate approach
- Give the opportunity for a more strategic focus on the planning of communications
- Give an increased focus on internal communication to staff
- Reduce costs.

They will retain core communications functions at the centre and return the important Events function to the EDS directorate on the understanding it will still support events across the council. The proposals will generate some small savings, which will be provided in more detail later following discussions with the staff of the Communications Team. Informal consultation is underway with staff and unions.

## **FINANCE AND CORPORATE SERVICES DIRECTORATE**

### **Creation of Strategic Director Finance and Corporate Services**

45 It might be argued that a version of this post was set up by elected members and the interim chief executive earlier this year. However, inevitably this has had the sense of being an interim arrangement with all the uncertainties of the

arrival of the commissioners, so it is important to be clear about responsibilities etc. Currently the Acting Strategic Director of Resources and Transformation is responsible for four Directors

- Finance including Revenues and Benefits
- Legal and Democratic Services
- Transformation (previously described as Internal Audit and Asset Management) (currently includes Internal Audit and ICT)
- Human Resources (Director post vacant).

In addition to this the acting Strategic Director has taken temporary responsibility for Communications and the Head of Policy, Improvement and Partnerships and team.

- 46 It is proposed that the new post of Strategic Director Finance and Corporate Services is created and that the new post would be responsible for Finance including Internal Audit, ICT, Revenues and Benefits, Legal and Democratic Services and Procurement.

### **Deletion of post of Director of Transformation (formerly known as Internal Audit and Asset Management) and creation of post of Assistant Director Audit, ICT and Procurement**

- 47 The current post of Director of Transformation does not have the “weight “ you might expect a Director level post to have in terms of responsibilities. It currently manages the Internal Audit and ICT functions. At the same time some previously odd decisions about where functions were in the organisation, have been exposed by the departure of previous Chief Officers. For example Procurement, a function you would normally expect to see in central or corporate services was actually in the former Neighbourhood and Adult Services. Since the departure of the Strategic Director for NAS, the Procurement Manager for the authority has been reporting direct to the Acting Strategic Director Resources and Transformation. ICT a function which was in the former BT joint venture company is now headed at Manager level, reporting to the Director of Transformation. It is proposed that the Procurement function should be located with this post - holder , newly designated Assistant Director Audit, ICT and Procurement. Procurement is an increasingly important function and very important to the Council’s value for money and sits comfortably with Internal Audit and ICT.

## **ENVIRONMENT AND DEVELOPMENT SERVICES**

### **Transition period and future priorities**

48 The Strategic Director of Environment and Development services has “looked after” a number of services put under his supervision during the transitional period following the departure of other members of the Strategic Leadership Team. He has also played a major role in supporting the work of the Licensing Board and Commissioner Ney in reforming the Council’s taxi licensing function. Under the proposals earlier in this report, Housing and Neighbourhood Services will become part of the new Community Well-being and Housing Directorate. The Licensing function will remain permanently in its new home in Streetpride.

49 The Directorate already plays a key role in economic development through the Planning, Regeneration and Culture service and the Strategic Director has personally supported elected members and the Interim Chief Executive in the work of the Sheffield City Region, as well as in Rotherham economic development and promotion. As the authority begins to promote a new strategy, much of which is likely to be focused on job creation and skills it will be increasingly important that the Strategic Director is able to spend time on strategic developments as well as on ensuring operational effectiveness of the Streetpride and Planning, Regeneration and Culture Services.

### **Creation of post of Assistant Director Community Safety**

50 It is proposed to create a new Assistant Director to be a senior corporate lead for Community Safety. Although there is a full – time Community Safety Manager, the authority is not operating at the level it now needs given the importance of making Rotherham a safe place for everyone and given the relative fragmentation of functions relating to Community Safety across the Council. In many urban authorities Community Safety is led at a strategic level and this would give a renewed focus to the issues in particular the importance of the liaison with the South Yorkshire Police and the National Crime Agency. The new post would report directly to the Strategic Director Environment and Development Services. Its functions would include:

- Being the senior lead on community safety issues across the Council
- Supporting the Safer Rotherham Partnership
- Supporting the Strategic Director Environment and Development Services in senior level liaison with the Police
- Taking the lead on PREVENT issues(terrorism issues)
- Taking the lead on MAPPA
- Taking a strategic approach to the pursuit of perpetrators of child sexual exploitation.
- Emergency Planning.

- 51 One of the key roles of Community Safety would be to co-ordinate reviewing of hotspots and the gathering of community safety information across the Council. Consideration will need to be given to whether the planned joint enforcement team is within Community Safety or elsewhere in EDS.

### **Transfer of Asset Management into Environment and Development Services**

- 52 Asset management which is about the management of commercial and service property was for some time linked with the internal Audit and ICT functions. Since the recent transitional phase of the management structure it has been reporting to the Director of Housing and Neighbourhood Services. However with the repositioning of the Housing Service with Adult Social Care, it makes sense for Asset Management to remain in Environment and Development Services under the Director of Planning, Regeneration and Culture, given the close links with these services. It will of course be important to ensure that there are appropriate checks and balances through the Director / Assistant Director between this service (possibly to be renamed Land and Property) and the Planning Service, but these types of arrangements exist in many local authorities.

### **Key strategic issues to be followed up at a later date**

- 53 There are a range of strategic issues which have not been dealt with in this report. One example is the lack of clarity about where the strategic lead for customer and online services sits within the council's management. There is of course a post at third tier level (Customer and Cultural Services Manager) located in the Environment and Development Services Directorate. Considerable work is being done to look at how best to progress further the work on modern, online services within the authority, with key leads from Environmental and Development Services and corporate functions such as Finance and ICT. However, although there are some good transactional services through the Council's website, there are still areas for improvement in telephone access to the Council where there are still too many numbers and access points. The location of the Customer Services responsibility including the corporate contact centre, in Environmental and Development Services, while understandable given the development of services from libraries, does not make clear the corporate priority that customer service access has to have within the authority, in order to make the final steps towards modernisation and to maintain the focus on the customer. This service is often linked with ICT. This however is a subject for longer and more detailed discussion than is possible in this report..
- 54 A second example, mentioned in some staff comments, relates to the strength and focus on work on Skills in Rotherham and whether that is set up

appropriately and sufficiently in partnership with others, reflecting the employment and training issues facing local people.

## **Summary of views from staff**

55 Prior to producing this report, following my invitation to staff to give their comments on the structure of the Council I received sixteen responses, two of which were team responses and the others individual. Issues covered included :

### Specific issues

- Bringing facilities management and corporate property together
- Questions about the positioning of external funding in the council
- Need for more emphasis on community cohesion
- The potential of bringing together various functions to give a stronger community safety focus, including concerns about current lack of capacity in planning policy and co-ordination in relation to community safety

### Management issues in the Council

- Restoring some management capacity in key areas
- Importance of getting staff to work across service boundaries and towards common goals across the council
- Concerns that the streamlining of services as a result of budget pressures has led to a weakening of professional skills and professional development
- Concerns about differing management spans of control between different areas of the council

### Corporate and strategic issues

- Pleas for a more strategic approach to budgeting avoiding apparently endless rounds of restructuring
- Need to generate more corporate working and the need for a central challenge and quality function
- The possibilities offered by a stronger corporate policy function
- Serious criticism of the lack of project management processes within the Council and a wish to see much better organisation of change management

## Staff

- Importance of learning and development to staff
- Points about the commitment and hard work of the vast majority of staff
- Reservations about the extent to which “business processes” can be applied to public services
- A plea for the majority of posts to be externally advertised to give the maximum opportunity for the best possible field of candidates
- Concerns about any possibility of “extra payments” to senior staff
- Frustrations about the amount of space in Riverside House for technical equipment, ICT network issues and capacity.

56 The recommendations in this report either directly or indirectly address the points listed under the “Corporate and strategic issues” heading. Many of the issues about different spans of management control will be addressed during service reviews as part of the budget process. In relation to the matters under the “Staff” heading, senior posts will be advertised externally with internal candidates welcome to apply. The pay scales will be the standard agreed pay scales and it would only be in exceptional circumstances that a market supplement might be applied e.g. where even after innovative recruitment processes it is demonstrably difficult to recruit. Some of the issues raised cannot be addressed in this phase of senior restructuring but are to do with the culture and style of the way the organisation operates, for example proper recognition of the importance of specific professional skills as well as those in general management. I will be going back to all those who have commented with detailed responses and will be making more detailed enquiries about some of the specifics.

57 Since the issuing of the pre-cursor paper to this report and a separate paper on the Communications and Marketing function, I have received 21 further sets of detailed comments on the proposals, predominantly, but not exclusively about Democratic Services and Communications and Marketing. I have covered these, or referred to some of these in the paper above, for example in correcting some previous factual inaccuracies and have met with the Democratic Services Team. I am further examining the Communications and Marketing comments and it may be that some changes are made to the proposals but they will follow the general principles outlined in this report.

## Financial Implications

58 Within the proposals above there are proposals to create five posts which are already funded. These are

- Strategic Director Community Well-being and Housing
- Strategic Director Finance and Corporate Services (already factored into 2016/17 budget projections).
- Assistant Director Strategic Commissioning
- Assistant Chief Executive Partnerships, People and Performance (part)
- Voluntary Sector liaison post.

In addition to this the recreated Performance and Equalities functions will initially be drawn from existing staff.

New posts which are currently unfunded will be as follows

- Assistant Chief Executive (part)
- Assistant Director Independent Living and Support
- Assistant Director Community Safety
- Democratic Services Manager.

59 The total costs of these including on-costs at current estimates would be a minimum of £218,807. The costs will be covered by the savings being driven out of the service reviews being factored into the budget processes for the 2016/17 budget. There are areas where other savings can be made through improving systems and driving out the time-wasting of repeat and ineffective work. There are likely to be a small number of savings in the area of Communications and Marketing and there will be further reporting back on this.

60 All of the new posts will be paid at the levels in the normal salary scale and job evaluation scheme. There will be no extra payments unless recruitment processes demonstrate this is necessary, and we are not envisaging this at the moment.

### **Staffing implications**

61 All the usual formal consultation arrangements will apply in relation to this review. There are likely to be a small number of post losses in Communications and Marketing and the first approach would be to seek to achieve redeployment wherever possible.

### **Conclusions and Recommendations**

62 Members will note that these proposals remove the designation “Transformation” from two posts in the interim structure. This is because the changes which need to be made in the council need to be owned by all senior managers .Lead roles in change management will be played by all the Strategic Directors and the Assistant Chief Executive Partnerships, People and Performance and by a range of other staff in influential positions, led of course by the new Chief Executive when appointed.

63 The drive in this report is to achieve Best Value for Rotherham citizens and businesses. Many of the changes we need to make are not attributable to structure but about what the Council does and how it does it. We can increase the productivity of staff by opening up the opportunities for innovation and drive which many staff are desperate for, and reducing the opportunities to hide behind ambiguity and lack of performance management which has been in place in some areas of the authority. Proactive management can help staff perform at their absolute best ensuring that in every part of the authority services are at the very least to a good standard and in many places excellent. In some places however, this will take time because of the extent of change in philosophy and approach which will be required. The authority will have to relearn how to behave in a corporate, joined up way, to serve better both members and the public.

64 Recommendations are therefore that:

**The proposals listed should be agreed**

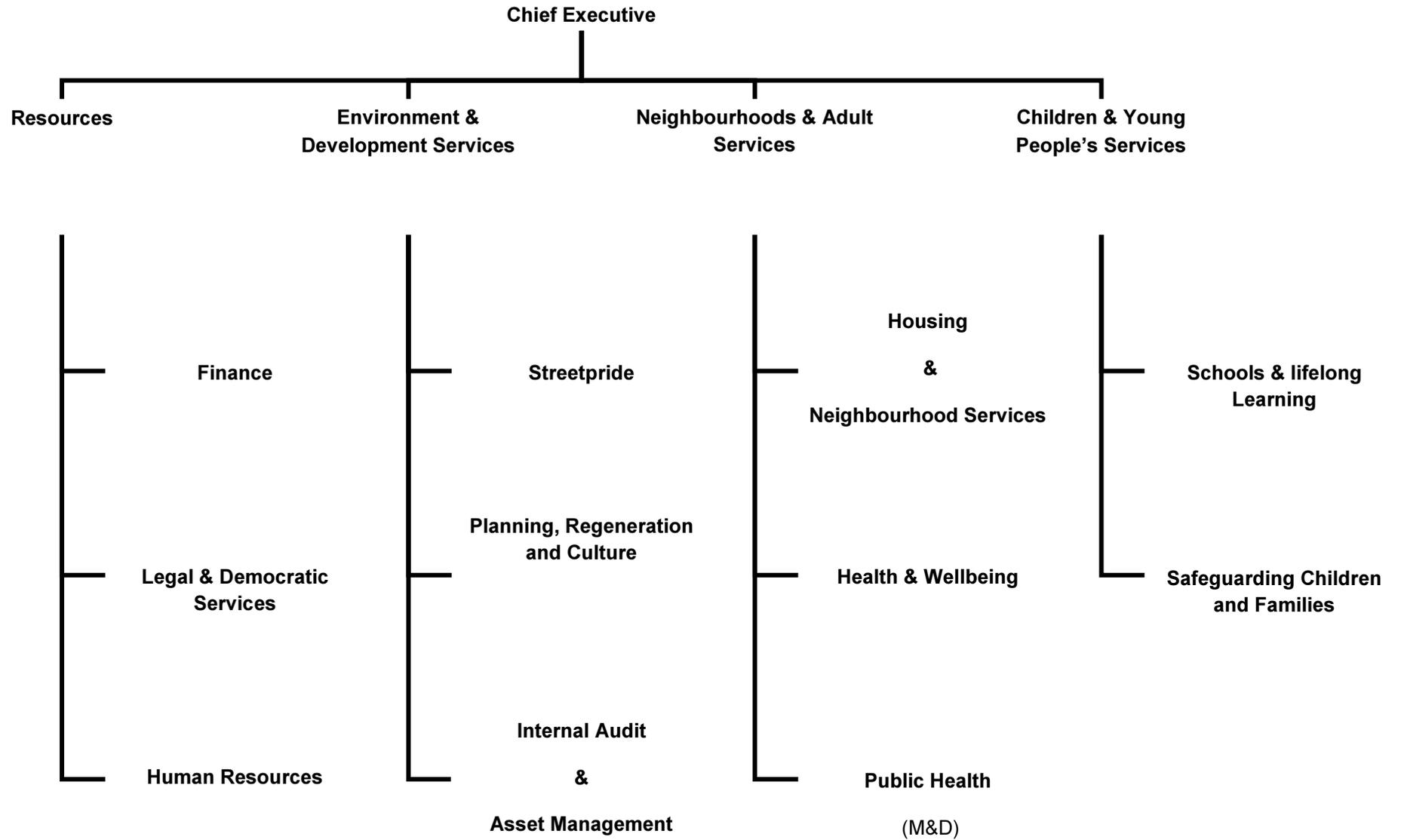
- a. **Formal consultation on the proposals should take place as soon as possible**
- b. **Subject to the outcome of those consultations an implementation plan should be produced and staged implementation should take place**
- c. **Budgetary consequences should be factored into budget planning for late 2015/16 and for the coming financial year 2016/17.**

**Stella Manzie**

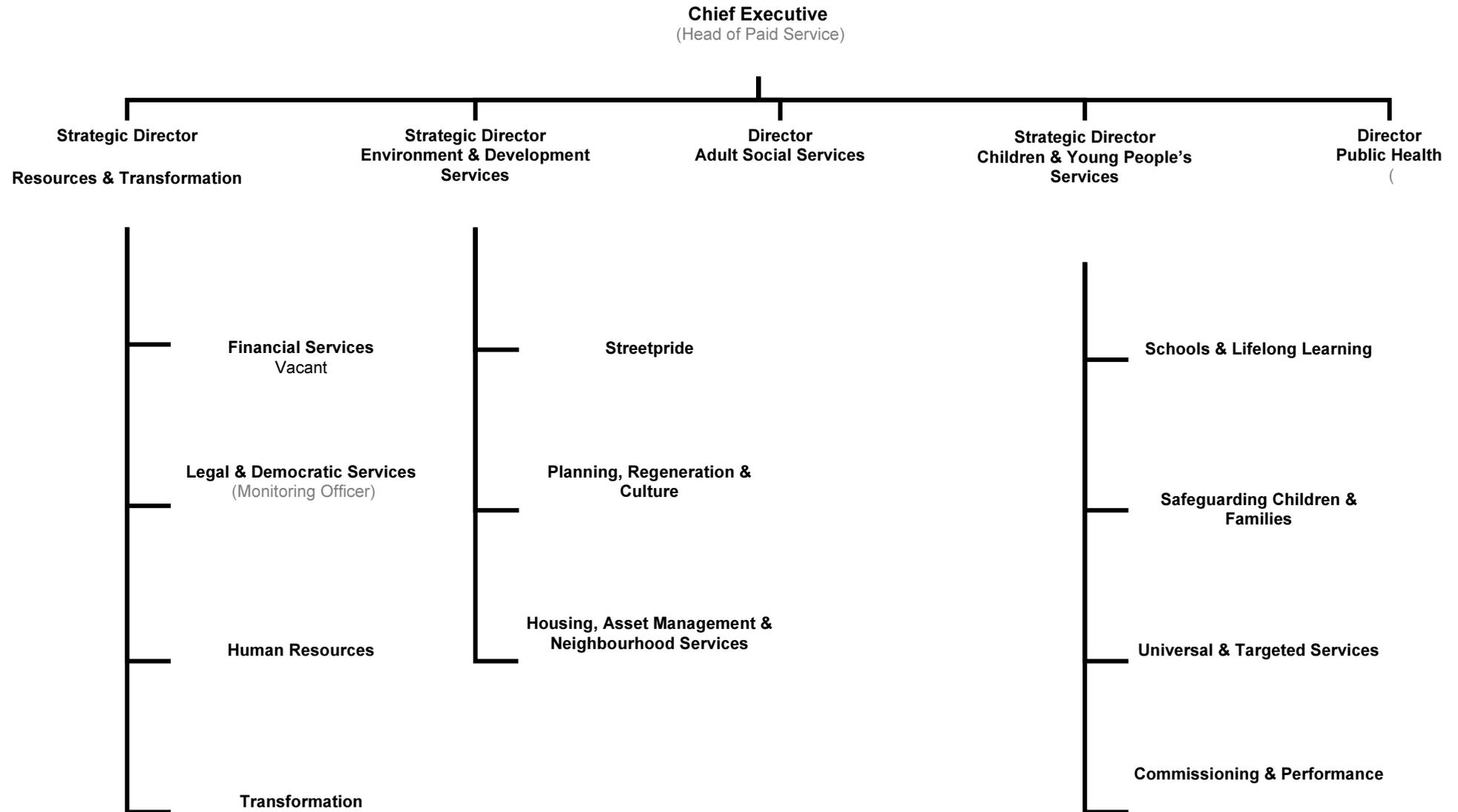
**(Commissioner Managing Director)**

## **Appendices**

<b>Rotherham MBC Management Structure 2014</b>	<b>Appendix 1</b>
<b>Rotherham MBC Transitional Management Structure May 2015</b>	<b>Appendix 2</b>
<b>Rotherham MBC Proposed Management Structure 2016/17</b>	<b>Appendix 3</b>
<b>May 2015</b>	



**Rotherham Council Senior Management Structure February 2015**



**Rotherham Council Proposed Senior Management Structure 2016/17**

