

CHANGES TO THE SENIOR MANAGEMENT STRUCTURE OF THE COUNCIL - FINAL VERSION

OCTOBER 2020

INTRODUCTION

This Delegated Powers Report (DPR) contains the Chief Executive's proposals to reshape the senior management structure of Hackney Council, in order to help the organisation work more effectively together, and ensure that it has the management capacity to meet its future challenges. This DPR deals mainly with the top two tiers of the organisation, but recommends some changes at 3rd tier that need to be implemented.

This version is the final version following consultation, both formal and Informal, with those directly affected as well as feedback from some of the teams affected.

The Chief Executive has set out the ambition that this review should:

- a. Put residents and communities at the heart of how we work
- b. Facilitate better cross-Council working
- c. Foster a more open and collaborative organisational culture, with a larger, more inclusive senior management team
- d. Empower teams and individuals to have more autonomy over their work
- e. Create progression routes to allow us to develop and retain talent within the organisation
- f. Be broadly cost-neutral to the Council

Appendices to this report are attached:

Appendix 1 – Current Structure

Appendix 2 – Proposed new structure

Appendix 3 – Proposed new job descriptions

Appendix 4 – Proposed equality impact assessment data

Appendix 5 - Organisational Change Policy and Redundancy Procedure

1. BACKGROUND

Between 2010-2015, the Council reduced the number of senior management posts (top two tiers) in the organisation by 30%, as part of its response to the central government's austerity agenda, and the Council's sharp reduction in government grant. There has also been a significant reduction at third tier (Heads of Service). Further reductions were achieved through the bringing back in-house of the Housing service and the transition of the Learning Trust to Hackney Education with the final stages of that transition to be completed in the next few months.

Over recent years the overall workforce of the Council has grown, due to insourcing of services, and this trend is set to continue.

Whilst many of the above changes have played an important role in helping the Council to meet challenging savings targets, there is an acknowledgement that this reduced management capacity has made it increasingly difficult to meet the challenges of shrinking resources, increasing demands, and an ambitious political manifesto, (climate challenge, size and complexity of political programmes, community engagement, inclusive economy) with some areas of the Council carrying more than their fair share of the strain. In addition, the reduction in senior management roles has cut off progression routes, making it harder to develop and retain talent in the organisation, and having an adverse effect on diversity at a senior level.

There have also been a number of external drivers behind this strategic review; the departure of the former Group Director: Neighbourhoods and Housing, the need to increase management focus on Children's Social Care, following the Ofsted report in December 2019, and the further development of the Integrated Care System, have led the Chief Executive to re-examine the senior structure of the Council.

This strategic review process started in October/November 2019, It was originally due to be launched in March 2020, but has been delayed by the COVID-19 pandemic crisis, which has had a major impact on the operation of the organisation, as well as on the borough and its residents. As the organisation moves into the next phase of recovery and ongoing response to the crisis, senior management capacity becomes even more important to lead the Council effectively and support our communities well through the extremely challenging times that lie ahead. The Council has learned a great deal during this crisis, about working differently, and more collaboratively, and this should have a positive impact on the implementation of this review. It will also be important to recognise that COVID-19 has brought unprecedented pressure upon the Council's financial position and the refreshed senior management team will have managing resources very high up on the agenda.

Throughout the pandemic the Council has worked very effectively across the organisation with many senior managers leading cross-cutting pieces of work and expanding the leadership team. It is essential that this way of working continues in the long term and this reinforces the extended management team approach to delivering services.

2. INFORMAL CONSULTATION

As part of this process, the Chief Executive consulted senior officers, including Directors and some Heads of Service, through 1-1 discussions across October and November 2019. He asked senior managers to consider the following areas, both during discussions and in further written feedback:

- Key challenges in the next 5 years
- The main drivers for restructure
- The gaps, obstacles and pressure points in the current structure
- Potential for developing synergies between services
- Areas which should grow and areas which could shrink

Clearly, this consultation was carried out prior to the pandemic crisis, but the themes that emerged seem likely to be further emphasised by the crisis and the formal consultation period will allow for further reflection on what has been learned over the past months.

Consultation Feedback Summary

Feedback can be summarised under the following themes:

Career progression

The interviews revealed concerns about the Council's ability to recruit and retain skilled and competent employees. In particular, interviewees mentioned a need to create good employment pathways that incentivised staff to remain at the Council and encouraged those in less senior positions to strive towards gaining the skills needed to progress. Interviewees suggested a range of solutions, including improving the training offer for staff and extending the shadowing programme. In general, however, most of those who mentioned this concern felt that the issue was primarily structural, and that career progression should more adequately be built into any redesign.

Community focus

Another clear theme emerging from the interviews was the need to place the community at the centre of the Council's focus. Staff wanted to make ensuring that the Council's work addresses the needs of Hackney's diverse community a priority going forward, emphasising the need to continue and extend the Council's co-production work and ensure that the Council's structure is suited to the reality of the 'journeys' residents take through the Council's services.

Cross-organisational working

The need for the Council's directorates to work together more effectively was raised consistently throughout the course of discussions with the Chief Executive. Staff felt that the current structure prevented the expansion and improvement of current cross-organisational initiatives, and that more could be done to facilitate collaborative working. There was particular emphasis on the potential for facilitating more efficient use of resources across the Council and staff mentioned particular areas, for example Customer Services, where the restructuring process could unite disparate functions and reduce duplication. In general, those interviewed also saw cross-organisational working as an opportunity to deliver improved services for residents.

The need for a broader senior management team

Most staff interviewed felt that the Council's senior management team was too small. Interviewees pointed to issues with heads of services dedicating a significant amount of time to operational issues at the expense of addressing strategic priorities. Further, several members of staff mentioned that the currently lean senior management structure was preventing managers in lower tiers from taking part in strategic discussions and networking opportunities reserved for higher tiers. This, it was suggested, also prevented services from working together and understanding each other's needs and priorities.

Throughout February and March 2020, the Chief Executive has met with all directly affected senior officers to talk through the principles of his planned restructure, and some of the proposed detail, where appropriate. The purpose of these discussions was to share and test the collated feedback from earlier meetings, and to seek opinion on whether the proposed changes would address the challenges set out in that feedback. The response from senior officers so far has been generally positive.

The final phase of the consultation closed on the 21st September 2020. There were responses from both individuals affected as well as collective responses from some management teams. The Chief Executive responded to the comments from the consultation process by the end of September 2020. The consideration of those responses has led to a number of changes in this final report.

Resource Challenges

After a decade of austerity senior staff highlighted that whilst the Council has managed this period as well as any local authority and that relatively Hackney is well resourced comparatively to most, as demands and expectations increase we need be mindful on this can continue to be resourced, they pointed to emerging issues with staff fatigue, service efficiency and future financial challenges around Fairer Funding.

3. PROPOSED NEW SENIOR MANAGEMENT STRUCTURE

The Chief Executive's proposals reshape the senior management structure of the organisation, creating new categories of senior role to meet the organisational challenges set out in this report.

Group Directors (CO1)

The Group Directors will remain the most senior tier of management in the organisation, alongside the Chief Executive, providing top level strategic leadership and accountability. However, this review recognises firstly that more capacity is required at this level, through the creation of an additional Group Director. It also recognises that the organisation needs a broader and more inclusive approach to leadership that involves a wider cohort of senior officers in decision making, to provide additional challenge, expertise, and a greater diversity of perspective.

Strategic Directors (CO3 / CO2)

This review creates a new Senior Management level, reporting to the Group Directors. Strategic Directors, reporting to Group Directors will be responsible for a

strategic grouping of services and divisions that will drive forward the delivery of the Council's major cross cutting priorities, break down organisational silos, and ensure effective cross Council working. These groupings may evolve and shift over time in response to the priorities of the council and wider change.

These roles will form part of the extended HMT cohort, along with the Director, Legal and Governance, as Monitoring Officer.

Director (CO3 / CO2)

Directors will be senior leadership roles with responsibility for leading a large, multi-service division within the Council, reporting either to a Group Director or a Strategic Director. This group, if appropriate, can include statutory-roles.

Senior Management roles (SM1/SM2)

These are senior leadership roles, with some of the autonomy of a Director role, but leading smaller divisions, and reporting into Strategic Directors or Directors. Most of these senior management roles will remain unchanged, however, I plan to create a workstream to change certain senior management roles to the title Assistant Director. This is to ensure that there is clear recognition of the seniority and scope of these roles, rather than a change in the roles themselves, their grades, or their contractual status (the Assistant Director roles will not be on Chief Officer Terms and Condition).

Heads of Service (PO8-PO15)

These roles lead the planning and operational delivery of services within the Council. They will vary in terms of grade, and spans of control, depending on the size of the service. They can report into Senior Management roles, Directors, or Strategic Directors.

I propose to leave the senior management and head of service aspects of this restructure to Group Directors to implement as part of a workstream that will be headed by each Group Director commencing September 2020. It is important that this is carried out consistently across the organisation using a set of principles and should be completed by 31 December 2020. I propose that Group Directors would keep in regular contact with me in relation to this work.

4. STRATEGIC GROUPINGS

This section of the report describes the new strategic groupings, under which services/divisions will be arranged in the proposed structure, and the rationale behind each.

Engagement, Culture, and Organisational Development

This grouping is about how we connect with our residents, staff, and external stakeholders ensuring that our policy development, and our communications and engagement are driven by insight, evidence, and evaluation. By bringing staff engagement and internal communications together with aspects of Organisational

Development, we can develop the culture of the organisation to fully reflect Hackney's Values, to support change, develop our staff insight programme so we better understand the organisation, and to support the delivery of the workforce strategy.

Cultural development remains at the centre of the Council, and with libraries and heritage joining this service, we can ensure that culture remains a primary vehicle for community engagement, cohesion, and celebration, and that we have a coherent approach to this that maximises our assets.

This grouping will also ensure that the Council has a stronger and more unified strategic centre, working with colleagues in Workplace and Corporate Development to support the needs and the ambitions of the whole organisation. This grouping will sit under a Director, with special responsibility for supporting the Chief Executive in his leadership of the organisation to deliver Hackney's vision and values, with a focus on engagement, equalities, and inclusion.

Inclusive Economy, Corporate Policy and New Homes

The corporate strategic and policy making function will be brought together in a strategic group with New Homes Policy and Delivery, Employment, Skills and Adult Learning, and a new Capital Programmes function, to ensure that all our programmes align with the Council's core objective to create a fairer, more inclusive economy in Hackney.

The group will ensure that critical policy areas (jobs, opportunity, new homes - inclusive economy / fairness) are driving the development of all people and place initiatives, including major capital programmes. It will sit under a Strategic Director with responsibility for driving through the Inclusive Economy agenda across the organisation, and will have responsibility for the Community Strategy and the Corporate Plan. This includes leading and delivering on the key cross cutting challenges contained in the Corporate Plan.

The group will drive key areas of cross cutting delivery which impact the lives of residents in diverse ways. This creates a dynamic eco-system within the group (at the heart of the Council), whereby corporate/political 'back office' functions are influenced and shaped by day to day Council delivery; and vice-versa.

Earlier in the year, a new service was established in Chief Executives to strengthen corporate from strategy through to delivery. The Policy and Strategic Delivery Service is an integrated service that leads on policy and strategy, supporting the strategic delivery of cross cutting corporate programmes and key Manifesto commitments and advising on change and transformation. The service leads on strategic partnership working, voluntary sector strategy and support, and creates the frameworks and support to ensure that equality is embedded into service design and

delivery, underpinned by an inclusive leadership culture and a commitment to workforce diversity. The service led on a refresh of the corporate plan in the light of the pandemic, taking into account organisational and community impacts and will support Strategic Directors to fulfil their cross cutting roles.

As well as focusing on service delivery, given the scale and diversity of challenges faced by residents and the Council, it is essential that Council service provision, in particular in people-oriented, complex and highly politicised areas such as housing and economic development, are closely connected with the arms of the Council responsible for policy, strategy and political engagement, within the Chief Executive's Directorate. The Capital Programmes function will have a dotted line into the Group Director for Finance and Corporate Resources and on the back of this restructure strengthened and improved Capital Programme Governance arrangements will be set out. No changes at this stage are proposed to the arrangements for the management of Phase 1 of the Britannia Programme and overall Masterplan arrangements, the last stages of the Building Schools for the Future Programme or the Education Property team.

Customer and Workplace

Sitting under a Strategic Director, within the Finance and Corporate Resources Group Directorate, this grouping is about helping the organisation to work better, for our residents, for our staff and for the partners we work with.

The Customer and Workplace Strategic Group will support further transformation across the organisation through strengthening the cross-cutting capabilities which support services in delivering change, service redesign and delivery of new service models across the Council's departments, to put the resident at the heart of what we do.

Early this year the Customer Services Division and ICT Division in the Finance and Corporate Resources Directorate merged under an amended Director role. This new service will be led by the Strategic Director, Customer and Workplace and current Director will be assimilated into this role.

This will be led by a new Corporate Delivery & Development function, which will focus on how the organisation needs to change and develop, to deliver its priorities over the coming years. This function will work closely with the strategic functions in the Chief Executive's Directorate, to forge a unified, responsive, and innovative approach to the corporate support for change across the Council's services.

Bringing together customer services with digital & data into a new Customer Journey function will enable a clear focus on the experience that our residents have of the Council's services, whether that's about consolidating the way we deliver transactional services to customers, or how we use the data we hold and the systems we work with to personalise a 'whole citizen' approach to service delivery, promote early intervention, and more joined-up services to support the most vulnerable.

The Strategic Group will also include the Benefits & Housing Needs service, who will continue to lead the Council's work to reduce the risk of homelessness and support residents who rely on the Council's support to manage difficult financial circumstances and find secure housing.

The Revenues service will lead on delivery of the Council's corporate approach to debt. This is vital work to support people who are in challenging financial circumstances and help the Council to mitigate the risks of future funding cuts from the government's 'fair funding' review.

HR and ICT will also form part of this strategic grouping to ensure that the processes, systems, policies that govern our workforce match our ambitions for the way we serve our residents, alongside a digital/ICT service that will make sure that our staff have the tools they need to deliver excellent services for Hackney.

The Head of Human Resources will report directly to the Group Director of Finance and Corporate Resources with a secondary reporting line to the Chief Executive.

Sustainability and Public Realm

Hackney is a leading local authority in the areas of green transport and environmental policy. This grouping gives a renewed and strengthened strategic focus on this work. The work under this Strategic Director is about Hackney's local environment, with a major focus on both sustainability and community safety, and how we are both improving the environment locally, through improved air quality, and cleaner transport, but how we are making our ambitious contribution to carbon emission reduction.

There is a clear need to prioritise sustainability and to ensure that it is embedded into every aspect of the Council's work, and that will be a clear area of priority for this strategic grouping, as well as overseeing the management of Hackney's public realm, green spaces, and highways.

The services in this group are already managed under the same Director, but by creating additional senior management capacity, rebalancing workloads to other parts of the Council, and increasing the seniority of existing service heads, this will ensure that this grouping has the strategic capacity to deliver on this increasingly important agenda. The planning function will be retained under this Strategic Director but with strong policy and working links to the regeneration and inclusive economy functions.

Housing

This role remains largely unchanged but in recognition of the plan of control of the role it is appropriate that it should be a Strategic Director.

5. CHANGING THE WAY WE WORK

The aim of the strategic review is not just to change management structures, but to fundamentally evolve how the organisation works. The broadening of the HMT cohort will support a more collaborative and transparent approach to decision making, with a greater diversity of perspective to inform that decision making. The move to strategic groupings of service areas will encourage a more collaborative approach, structuring the organisation around delivery of its long term objectives. Central to this will be a unified corporate centre drawn from the Chief Executive's and Finance and Corporate resources directorates, working together to support the organisation to meet its objectives, make Hackney a place for everyone, and provide excellent services for all our residents.

There has, for some time, been feedback that one of the key issues to address as an organisation is cross council working. Throughout the pandemic we have, as an organisation, adopted a more dynamic, collaborative and cross cutting way of working. It is important that this way of working is retained moving forwards and this structure aims to embed some of the ways of working as well as creating a structure that can support the organisation to work in that way now and in the future.

It is essential going forwards that we continue to expand and enhance our work on inclusivity. The recruitment of the Group Directors will take an approach which aims to increase diversity at senior levels. It is important that, as other restructures flow through the organisation, careful consideration is given to the recruitment process to further this aim.

6. ISSUES FOR FURTHER CONSIDERATION

- 1. Strategic Approach to Managing our Estate** - This will consider how we take forward a Council wide consideration of asset management, particularly in the light of the Covid-19 crisis and will include looking at options to establish the Corporate Landlord model, including how we maintain our buildings and day to day facilities management. This will draw upon the work to strengthen the Governance arrangements in relation to the Capital Programme.
- 2. Area regeneration and business relations** - the future management of the area regeneration function should be considered in the light of this restructure, as well as the support the Council gives to local businesses and town centres, a need which has intensified during the last three months. The relationship of regeneration with the planning service and the inclusive economy grouping needs to be considered.
- 3. Review of Digital Content** - throughout the pandemic there has been a necessity to interrogate our data to ensure that we were engaging and protecting many of our vulnerable residents. The piece of work highlighted that a review of the digital content that we hold as an organisation, and the platforms that the data is held on, would both provide opportunities for rationalisation and enable better use of the data we hold.

7. PIECES OF WORK TO FOLLOW

This Delegated Powers Report only deals directly with the senior management structure of the organisation, but due to its council-wide scope, it will have wider implications for the whole organisation. The new senior management structure will enable further change in the organisation to support the Council's ambitions, and the Chief Executive has signposted several further pieces of work that will need to follow this one, in order that it can deliver on its ambitions for the Council and its services.

These pieces of work include:

Workstream	Timescale
<p>There will be a number of additional changes made to the third tier to reflect the content of this DPR, and these should be managed at a local level by the Group Director or Chief Executive in the case of the Chief Executive's Directorate. This will include the designating of 'large remit' Heads of Service role as Assistant Directors (where appropriate) to reflect leadership of high profile or high risk public facing or strategic services with high level of political engagement. The principles against which the designation of 'AD' is to be judged will be agreed by HMT to ensure consistency across the organisation. This review should also consider the current SM Grade structure. However, these changes all need to be contained within existing recurrent resources. This change would not have an impact on grade or terms and conditions.</p>	<p>Immediate</p>
<p>Formal consolidation of contact centres (currently located in ICT and Customer Services + Housing Services) into the new Customer and Workplace division.</p>	<p>Immediate</p>
<p>A review and restructure of Organisational Development in line with the new Workforce Strategy, focusing on organisational culture, staff engagement, and training and skills.</p>	<p>Immediate</p>
<p>Restructure of Communications and Engagement, focusing on management</p>	<p>Immediate</p>

roles, digital capacity, and interface with customer service.	
Review of Financial Management and Directorate Finance Support Structures.	This will be commenced upon conclusion of Council wide restructure and will look to align support to emerging priorities and have regard to the impact of COVID 19 on the Council's financial position.
Review to consider options for further consolidation of all income streams to embed one approach to Council debt.	Immediate
Review of Executive Support to reflect the new structure. This review would need to be cost neutral and the scope should include support to all areas. The review should not expand support beyond Group Directors, Strategic Directors and Directors	Immediate
Integration work with Hackney Education	Completed by 31 March 2021
Review of the Workforce Strategy to take account of news ways of working	Completed by 31 st January 2021

8. RECOMMENDATIONS

The Chief Executive is recommending the following changes to senior management posts with effect from 1st November 2020, unless otherwise stated.

8.1 Children Adults and Community Health (CACH) directorate

The directorate is deleted. Its functions will be split between a new Adult Service directorate, and a Children's Services directorate.

The following posts in this directorate will be **deleted**:

Group Director, Children, Adults and Community Health (CO1)
 Director, Adult Social Care (CO2)
 Director, Childrens (CO2)

The following posts in this directorate will be **created**

Group Director, Children and Education (CO1)
 Group Director, Adults, Health and Integration (CO1)

Director, Childrens (CO3)
Director, Adults (CO3)
Director, Health Integration (CO3)

The following posts in this directorate will **remain unchanged**

Director, Public Health
Director, Education

8.2 Chief Executive's directorate

The following posts in this directorate will be **deleted**:

Director of Communications, Culture, and Engagement (CO3)
Director of Policy, Strategy, and Economic Development (CO3)
Head of HR and Elections (CO3)

The following posts in this directorate will be **created**:

Strategic Director Inclusive Economy, Corporate Policy and New Homes (CO2)
Strategic Director, Engagement, Culture and Organisational Development (CO2)
Director, Regeneration and Capital Programme Delivery (CO3)

The following post in this directorate will have its job title **amended**:

The Head of Business Intelligence and Member Services to Head of Business Intelligence, Elections and Member Services

8.3 Finance and Corporate Resources

The following posts in this directorate will be **deleted**:

Director of ICT and Customer Services (CO2)

The following posts in this directorate will be **created**:

Strategic Director, Customer and Workplace (CO2)

The following posts in this directorate will **remain unchanged**

Director, CACH Finance
Director, N&R Finance
Director, Financial Management
Director, Strategic Property

The Group Director job will remain but amended to reflect new responsibilities.

8.4 Neighbourhoods and Housing Directorate

The following posts in this directorate will be **deleted**:

Director of Public Realm (CO2)
Head of Environmental Services (SM2)
Director of Regeneration (CO2)

The following posts in this directorate will be **created**:

Strategic Director, Sustainability and Public Realm (CO2)
Director, Sustainability and Environment (CO3)

The Group Director job will remain but amended to reflect changes in responsibilities.

The following posts in this directorate will be **amended**:

Director, Housing will be re-designated Strategic Director, Housing

Head of Libraries, Leisure and Green Spaces will be re-designated as Head of Leisure and Green Spaces

9. FINANCE COMMENTS

9.1. Local Government and Hackney are under unprecedented challenges now following the COVID 19 outbreak. This is on top of 10 years of austerity in the funding of local government alongside a number of longstanding policy issues being continually 'kicked down the road' - Adult Social Care, Fairer Funding Review and SEND funding issues to name some examples. Since 2010 the Council has undertaken a number of structural changes to the senior management structure that whilst saving money has reduced capacity. However, the financial horizon that is currently predicted expects to need to find savings of c£35m in 2021/22 and beyond.

It is, therefore, important that all the proposals in this report do not increase costs. All proposals in the report including the further work required will require financial sign off and agreement by the Group Director of Finance and Corporate Resources and his team that the proposals are affordable and can be contained within the existing budgets.

10. HR COMMENTS

This organisational change will be managed in line with the Council's Organisational Change Policy (revised version December 2014) and Redundancy Procedure (revised version July 2018).

As part of this restructure and in line with Council Policy, voluntary redundancy will be considered on a case-by-case basis and offered where there are clear business benefits to be achieved. The Council reserves the right to decline requests for voluntary redundancy at its absolute discretion.

Where ring-fenced assessments are appropriate and required, the approach for determining suitability of 'at risk' employees for posts in the new structure, may in addition to any interviews and or tests, include employee performance, disciplinary records and sickness records.

Any vacant posts arising from the implementation of the restructure proposals will be advertised in accordance with the Council's Recruitment and Selection procedure.

10. LEGAL COMMENTS

This report recommends changes to the senior management structure and posts within the Council. The Council's Constitution under Part 2 , Article 12 provides that the Chief Executive has the authority to recruit to chief officer positions. He also has the authority to vary portfolios, functions and the areas of responsibility of all chief officers. This may entail as set out within section 8 of this report, the deletion of posts and the creation of alternative posts deemed fit for Council purpose. The Chief Executive under Article 12 is also responsible for determining and publicising the description of the overall departmental structure of the Council which shows the management structure and deployment of officers.

The process by which the restructure is to be achieved must comply with the Council's Organisational change policy and redundancy procedure. Effective consultation should take place with officers and the unions in accordance with employment law and practice. Further the risk of displacement of any members of staff who are affected by the proposals must be considered under the Council's policy and procedure for redeployment and redundancy.

