

**Agenda Item No: 3**

**Report to: Special Cabinet**

**Date of Meeting: 26 November 2014**

**Report Title: Proposed changes to the Senior Officer Structure**

**Report By: Verna Connolly  
Executive Manager – People and Business Support**

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### **Purpose of Report**

- 1. The report attached contains proposals from the Leader and Deputy Leader for changes to the Council's Senior Officer structure. In addition, the report provides Cabinet with feedback on the results of the consultation.**

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### **Recommendation(s)**

- 1. Cabinet is asked to consider the report on consultations arising from restructuring proposals and members views are required.**

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### **Reasons for Recommendations**

- 1. The financial challenges facing the council, and the commitments given in connection with the efficiency support grant.**
- 2. Enable informed decisions to be made.**

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### **Background**

- 1. As part of the Council's business case submission to the government for Efficiency Grant Support for 2013/14 and 2014/15 a commitment was given to reviewing the Senior Management Structure of the Council. The**

proposed timescale for the review was the third quarter of 2014/15 with indicative savings of £0.25m in 2015/6.

2. Consistent with that commitment and Leader of the Council launched a consultation document dealing with the senior management structure of the Council and the purpose of this report to provide the Cabinet with feedback on the results of the consultation to enable informed decisions to be made.
3. The consultation document issued by the Leader is attached at Annex A.
4. Given that the council's three Directors are affected by the consultation and, due to conflicts of interest, are not able to formally advise the council on such restructuring, David Bowles of SOLACE Enterprises has been appointed as a 'critical friend' to both oversee the consultation process and provide challenge to the council on the proposals and associated risks.
5. David Bowles Report on the consultation, received on 17th November is attached as Annex B.
6. The Leader and senior members plan to make recommendations to the Cabinet once they have had the opportunity to consider carefully the results of the consultation.
7. Should the Cabinet decide, in the light of the consultation response, to proceed with a restructuring of the Council and reduce the number of Directors to two then a redundancy situation will arise and the Council will need to comply with the JNC Terms and Conditions of Employment which state:

**"Employing authorities should consult with any chief officer affected at the earliest possible stage when there is a suggestion that the Chief Officer's post might be abolished or proposed for abolition.**

**If after such consultation a proposal is formulated to abolish the chief officer's post, the procedure of Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992, requiring consultation with trade unions should be followed, the required statutory information being sent to the chief officer and to each**

independent trade union recognised by the employers for collective bargaining purposes for the chief officer. A period of not less than 28 days should be allowed for statutory consultation process. The chief officer and a trade union representative should also be afforded an opportunity of making oral representations to the Committee or Council meeting concerned before a final decision is made.

If following such consultations the authority decide that the post must nevertheless be abolished, the officer should be offered any suitable alternative employment that may be available or which may become available in consequence of the Re-organisation giving rise to the abolition of the chief officer's post.

The authority should also bear in mind the possible application of discretionary powers of premature retirement, and permissible enhancement of benefits or redundancy payments, and the possibilities of providing an alternative post or extending the period of notice to assist the chief officer in finding other employment.”

8. There will be a need to have a further round of consultation with the staff affected and in allowing for that it is anticipated, should any restructuring proceed, interviews would be held in January 2015.
9. In addition the Council will need to consider the impact on their direct support staff.

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**Wards Affected**

None

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**Area(s) Affected**

None

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## **Policy Implications**

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	Yes
Crime and Fear of Crime (Section 17)	Yes/No
Risk Management	Yes
Environmental Issues	Yes/No
Economic/Financial Implications	Yes
Human Rights Act	Yes/No
Organisational Consequences	Yes

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## **Supporting Documents**

Appendix A Restructuring the Senior Officer team - Consultation Document

Appendix B REPORT TO HASTINGS BOROUGH COUNCIL - PROPOSED CHANGES TO TOP MANAGEMENT STRUCTURE. RESULTS OF CONSULTATION AND OBSERVATIONS BY 'CRITICAL FRIEND' plus appendices:

Appendix A – Current organisation structure

Appendix 2 – Unison – Branch 9264, South East, Hastings, LG response to consultation

Appendix 3 – Staff Commission – Notes of meeting held on the 13 November, 2014

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## **Officer to Contact**

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## **ANNEX A**

**Consultation document issued by the Leader on 27th October 2014**

### **Restructuring the Senior Officer Team**

#### **Consultation Document**

##### **1 Current Structure**

1.1 The last restructure of the council was agreed in Autumn 2011 becoming fully operational at the start of the 2012/13 financial year. This saw the deletion of the post of chief executive and the creation of a chief officer team of three directors with one of them holding the position of head of paid service and chairing the Corporate Management Group. There was also a reduction in the number of heads of service from eleven to seven.

1.2 Since then the financial pressures on the council have continued to grow with a potential budget gap over the 2015/16 to 2016/17 period of £4 million. The need to find substantial savings remains.

##### **2 Rationale for Restructure**

2.1 The council's business case submission for the government's Efficiency Support Grant 2013-15 committed the authority to "reviewing the senior management structure of the council as part of the Transformation and Efficiency programme" with a proposed timescale for the review of the third quarter of 2014/15 and indicative savings of £250,000 from the 2015/16 financial year.

2.2 The council's workforce has continued to shrink over the three years since the last restructure and there is a consensus that the council must prioritise a smaller number of key activities in its future organisational plans.

2.3 In addition the council has highlighted the principle of being One Council over the last period of time to help break down any directorate or service division barriers to efficient and cost-effective working. Any restructure must help to further embed this principle as well as make a contribution to the council's budget savings strategy.

2.4 However, the council must retain the confidence that it has sufficient capacity at senior level to cover the tasks it has taken on – some of which are at county and regional level or even beyond.

2.5 The council was assisted in its last restructure by the involvement of a 'critical friend' – a former local authority chief executive. He questioned why the council's new structure was based on three directors rather than two and reference was made to that in the report taken to Cabinet on 16th November 2011. Three years on it is right that this should be revisited.

2.6 The council for financial and organisation culture reasons is developing its agile working initiative including new office layout arrangements which allow for more efficient working and help to enhance the one council principle. Directors and senior officers will no longer have separate offices. This whole process again indicates the time is right of a review of the senior officer structure.

2.7 The report adopted by the November 2011 Cabinet commented: "It must be recognised that no new organisational structure is permanent. The changes in resources, responsibilities etc. for the authority mean inevitably there will be further reviews in the future."

### 3 Proposed Restructure

3.1 A new structure is proposed based on two chief officers rather than three. Essentially this would mean an executive director services and an executive director operations. This further enhances the realisation of the one council principle with all support service areas brought together in one directorate and all service delivery areas brought together in the other.

3.2 It is proposed that the operations directorate should comprise all those areas currently reporting to the director of corporate resources with the addition of marketing and communication and that the services directorate should comprise all those remaining areas reporting to the director of regeneration and all those areas currently reporting to the director of environmental services.

3.3 The two directors will continue to be appraised by the leader and deputy leader of the council and will continue to meet regularly with them – as has been established practice for directors since the last restructure. The report adopted by the November 2011 Cabinet commented: “performance management arrangements for all three directors will therefore be exercised by the elected leadership (as has happened in the past with the post of Chief Executive). In addition, the Leader of the Council will be responsible for reconciling any differences within the team, should they arise.” All this will continue with two directors.

3.4 The requirement to have a designated head of paid service will be fulfilled by the director operations but chairing of the Corporate Management Group can rotate between the two directors and they can divide between them the responsibility of representing the council externally, for example at the East Sussex chief officer’ meetings.

3.5 The appointment process for directors is the responsibility of the Officers Employment Committee. Job descriptions have been drawn up for the two directors’ posts and clearly it is important that those most suited to these two different positions are appointed with the leadership responsibility the posts will carry.

3.6 The Executive Manager People and Organisational Development will advise if any current director has the right to be automatically assimilated into either of these new posts.

3.7 Consideration of assimilation into the available Director posts will be based on the functions, duties, staff and services, reporting to the post. If they are not the same in the new post as the old post they will not be assimilated.

3.8 This could open up a wider selection process including heads of service as well as existing directors depending on the job description.

3.9 It is proposed that the appointment of two directors should be the first phase of the restructure and a review of the number and remit of heads of service posts should be a second phase to commence immediately after. This allows the newly appointed executive directors to participate in the heads of service review.

3.10 The newly re aligned head of service posts will be advertised internally and ring-fenced to Directors and Heads of Service. This will give the organisation an opportunity to assess skills and behaviours, that may not have been required previously, and provide applicants with an opportunity to demonstrate their current capabilities and future potential.

3.11 The offer will now be made open to any senior officer who in the light of the restructure process wishes to seek voluntary severance or retirement to approach the Executive Manager People and Organisational Development.

3.12 A restructure will have financial savings benefits and it will help to further embed the one council principle. With a reduction to two directors there will have to be further consideration of the delegation of tasks, projects and decisions to heads of services and to other levels of management. This was an important element of the cultural change that was part of the rationale for the last restructure.

3.13 It is recognised that any restructure can be unsettling and potentially disruptive. The council is committed to doing all it can to limit this for individuals and for the authority as a whole. It will allow for a period of genuine consultation and discussion but also recognises the need to implement decisions without undue delay.

3.14 The new structure will formally commence on 1st April 2015 along with the start of a financial year which as far as possible will be the first year of a two year budget plan. A new and sharper corporate plan, a two-year budget plan to realise it and a new senior management team to lead it will then all be in place to take the authority forward.





## REPORT TO HASTINGS BOROUGH COUNCIL PROPOSED CHANGES TO TOP MANAGEMENT STRUCTURE

### RESULTS OF CONSULTATION AND OBSERVATIONS BY 'CRITICAL FRIEND'

#### 1 INTRODUCTION

1.1 Under the Local Government Act 1989 it would normally be the responsibility of the Head of Paid Service to report to and advise the Council upon staffing levels and their organisation. The Council has given a commitment to DCLG to reduce senior management costs and launched a staff consultation document reviewing the top management structure so that commitment can be met. As the review could impact upon the Head of Paid Service, and conflicts of interest arise, it is necessary for members to seek support and advice from outside the Council. I have been asked by the Council to act as a 'critical friend' in both overseeing and reporting upon the results of the consultation and by providing a degree of external challenge.

1.2 I have been asked specifically to advise upon the options considered and the risks of the proposal and how they may be mitigated. I have also been asked to detail issues raised in the consultation process and how these may be addressed.

#### 2 BACKGROUND

2.1 The Council faces very significant conflicting pressures. On the one hand it is one of the most financially challenged Councils in the country in terms of grant loss, whilst on the other it has an ambitious agenda to regenerate the Borough. The vision for the Council is *'the renaissance of Hastings through social, economic, cultural and environmental regeneration'*. The Council has an interventionist approach and its Corporate Plan establishes a series of priorities, targets and milestones.

The organisations structure should be consistent with achieving the Councils vision and priorities.

2.2 In 2011 the Council made significant changes to its organisational structure. One aspect of this was the removal of a free standing Chief Executive. The Head of Paid Service role was taken on by the Director of Corporate Resources, with a form of 'first amongst equals' being applied with regard to his relationship with the other two Directors. The other two Directors do not report to the Director of Corporate Resources and the Leader has a role in dispute resolution, if necessary, between members of the Corporate Management Group. It is an unusual arrangement but not unique. There is a form of generic job description in place for these three Director positions, with the Director of Corporate Resources responsibilities also reflecting his role as Head of Paid Service.

The current organisational structure is shown at Appendix 1.

2.3 In my opinion this restructuring should be seen very much in the context of the changes made by the Council in November 2011 when the current structure was approved. Whilst much of the focus at that time may have been on the removal of the post of a freestanding Chief Executive and a substantial reduction in the number of Heads of Service, there was recognition of the need for a number of absolutely fundamental changes to ensure that the new smaller organisation functioned effectively.

2.4 There are two key extracts from the report to Cabinet on 16 November 2011, when the new structure was approved, which are particularly relevant. The first summarised the views of staff:

*However, the Staff Commission made a number of adverse points about the culture of the organisation. It identified micro-management and lack of empowerment to take decisions. It felt that too much was concentrated in senior managers' hands; there were too many meetings and senior management at times appeared detached. There was a feeling of allegiance to individual work teams but not necessarily to directorates. It was felt that work teams may be able to function as effectively whatever the configuration of directors and directorates.*

*There was an acceptance that organisational restructuring alone will not necessarily change the culture of the organisation but a hope that this review process would assist in finding solutions.*

*The Staff Commission wanted genuine delegation of decisions to work units or to project teams, including work teams being asked to consider how they could work more efficiently and more cost-effectively and perhaps differently. It wanted a culture of trust that groupings of staff are capable of delivery, with senior managers being more enabling and supportive rather than being too directing. It wanted every effort to be made to prevent a perception that there is a blame culture within the Council.*

The second extract, responding to the comments above, were the establishment of a series of Organisational Objectives:

#### **ORGANISATIONAL OBJECTIVES OF THE REVIEW.**

*3.1 Based on the results of the initial review process, and the need to reduce Council spending, it has been possible to identify a number of key Organisational Objectives for the review, which have been used to guide the formal consultation process and to fashion the recommended structure set out in paragraph 5. These are as follows:*

- *Stimulate cultural change through a more transparent division of strategic and operational duties, greater delegation to Heads of Service to manage their services and a greater use of time limited project teams to deliver specific objectives. This objective has been derived principally from the conclusions of the Staff Commission, which have proved particularly useful in helping to design the future structure of the Council*
- *Retain clarity of responsibility and accountability for decisions within the revised structure, so that the public and elected members know who is responsible for what*
- *Allow the Council to ‘punch above its weight’ in stimulating the strategic and economic development of Hastings, through the continued involvement of Directors in county wide/regional activity and leadership of Council wide developments*
- *Reduce the cost of senior management, whilst retaining a ‘fit for purpose’ structure, to recognise the requirement for a smaller more agile Council*
- *Create the opportunity for greater member input to the strategic work of the senior management team*
- *Retain a presumption for internal service provision where value for money can be demonstrated, whilst recognising the value of a mixed economy of provision*
- *Promote resilience of service within a diminishing resource base through appropriate sharing with other Councils or other arrangements where necessary*

2.5 These Organisational Objectives have been underpinned more recently by the desire to break down directorate or service barriers to create ‘One Council’. A number of these Organisational Objectives, particularly the first two, deal with ‘organisational culture’. In this latest consultation significant concerns were expressed about the failure to deliver the cultural change aspects of the Organisational Objectives. Whilst recognising that the Organisational Objectives are far wider than just culture, as a convenient shorthand I use ‘Organisational Objectives’ throughout this report to refer to the cultural aspects of the above. From all accounts the Borough has made reasonable and in some cases good progress on many other aspects of the Organisational Objectives.

### **3 APPROACH TO CONSULTATION**

3.1 Given the current financial climate and the personal implications of changes to organisational structures there is an inevitable tendency to focus on ‘lines on charts’ and savings.

In advising the Council I am conscious that organisational performance is more dependent upon the quality of leadership, the values and management culture of the

organisation and the calibre of its staff rather than formal structures. In that context whilst the formal consultation on structures is important the 'Organisational Objectives' at 2.4 above remain relevant.

3.2 This latest proposed restructuring is arguably a refinement of the 2011 changes. The principle remains that reductions to the Councils workforce must be supported by the drive to have a workforce which is well led and empowered. Unless the above 'Organisational Objectives' are achieved and embedded the Council will face significant risk and increased difficulty meeting the demands upon it whilst also reducing the workforce.

The importance of this issue is recognised in the consultation document issued by the Leader by making it clear that any restructuring must help further embed the principle of 'One Council'.

3.3 A consultation paper was issued on 27<sup>th</sup> October 2014 and staff were invited to submit responses. In addition I was appointed to oversee a number of 1:1 and meetings with groups of staff and Union representatives.

3.4 In total there were 5 written responses and I have been provided with copies of all them, including responses from the Director of Regeneration and Director of Environmental Services. I have taken them into account where appropriate in this report. In addition there is a written response from Unison which is attached at Appendix 2

I have met with the following members, officers etc:

<b>Name</b>	<b>Post Held</b>
Cllr Jeremy Birch	Leader
Cllr Peter Chowney	Deputy Leader
Cllr Matthew Lock	Leader of Conservative Party
Neil Dart	Director of Corporate Resources
Simon Hubbard	Director of Regeneration
Richard Homewood	Director of Environment Services
Verna Connolly	Executive Manager, People and Business Support
Peter Grace	Executive Manager, Finance (151 officer)
Staff Commission	
Unison	
Mike Hepworth	Head of Environmental Services
Jane Hartnell	Head of Corporate Services and Monitoring Officer
Monica Adams-Acton	Head of Regeneration
Virginia Gilbert	Head of Amenities, Resorts and Leisure
Andrew Palmer	Head of Housing and Development

Kevin Boorman

Head of Marketing and Communications

The notes of the meeting with the staff commission are attached as Appendix 3.

## 4 ORGANISATIONAL STRUCTURE – CURRENT AND PROPOSED

### 4.1 Current arrangements

The current structure is shown at Appendix 1.

Within that structure broad indicators of the size and scale of each Directorate are shown in the following table:

Directorate	Corporate Resources	Regeneration	Environmental Services
Number of Heads of Service	2	3	2
FTE staffing	107	107	95
Indicative gross budget * £m	16	18	13

\*These exclude transfer payments and capital costs etc. Some services are provided under contract which can also distort the comparisons.

Whilst the table above is not a reliable indicator of the workload of individual Directors, especially as individual Directors are intended to be more outward facing, it does give a feel for the current organisation; three Directorates of broadly comparable size, each led by a Director with largely generic job descriptions.

### 4.2 Proposals

The current proposals are for the Head of Marketing and Communications to report to the Director of Corporate Resources and for that Director post to be re-designated Director of Operations. The rationale for this is that it pulls together all of the corporate support services, including IT, into one Directorate. As that post is to still be the Head of Paid Service it is also consistent with the Head of Paid Service having a responsibility for internal and external communications and reputation management. All other, arguably mainly public facing services, would report to a new post Director of Services. Bringing all of these services together under one Director should help break down silos and foster the aspiration to be One Council.

The revised indicators of size and scale of each of the two remaining Directorates are as follows:

Directorate	Operations	Services
No. of Heads of Service	3	4
FTE posts	128	179
Budget £m	18	29

Again although this should not be taken as a reliable indicator of the 'workload' of each Director it does give a feel for the responsibilities of each post which could be taken into account in defining their outward facing and corporate leadership roles.

A consequence of this proposal is that the Council could move away from generic job descriptions to a clearer 'corporate/internal support services v operational services' structure. I will comment upon this later as it provides the opportunity for ensuring clearer officer leadership to the Council which should be beneficial in achieving the 'Organisational Objectives' and One Council.

## **5 CONSULTATION RESPONSES AND COMMENTARY ON STRUCTURE**

Below I seek to bring out the key issues raised, supplemented by observations based on my own experience.

### **5.1 Rationale for the restructuring and general comments**

As a starting point is it worth noting that there was very strong support from staff to Hastings and the Council's commitment to regeneration. None of the comments made in any part of the consultation process challenged the fundamental sense of direction. The comments were overwhelming constructive wishing to contribute to building a strong, if smaller, officer cadre.

Many staff expressed views that the driver for the proposed change was financial and that the proposals should have been based on a broader analysis of the needs the Council and what it can afford.

There were strong feelings expressed by a wide range of staff that the Council was reaching the point at which it needed to define more clearly what its priorities are and then be clear about how it will build an organisation capable of functioning effectively in the longer term. These views are also reflected in the written response from two Directors.

Concerns were expressed about the assimilation rules particularly for the 'Services' post stating that it would be difficult for one Director to have technical and professional knowledge around the scale and range of activities encompassed by that post. A suggestion was made by a Director that the proposed job descriptions should focus on leadership, partnership and performance review rather than relying on line reporting and accountability.

One of the Directors believed that a division between 'operations' and 'services' may be too simple, views broadly shared by another Director, commenting that simply deleting post and rearranging functions alone cannot ensure efficiency. They too made comments about the interrelationship between various services. A Director expressed concern that the simple division as proposed might reinforce the boundary between the



two elements of service to the public rather than improve it, arguing the need to explore service delivery from end to end.

## **5.2 Alternative structures**

A remarkably few adverse or indeed positive comments about the precise proposed grouping of services under each of the two proposed Director posts were made. Comments were made that the Contact Centre was vital to the performance of the proposed 'Services Directorate' questioning its location within the structure. There were concerns about the dependence other parts of the organisation, and particularly tourism, have on the marketing and communications function. Concerns were also expressed about the nature of corporate support services and the need to strike a balance between them being supportive and enabling and being 'controlling'.

During meetings with both members and senior staff a number of alternative options were discussed.

### **5.2.1 Reverting to a free standing Chief Executive**

There was no suggestion or indeed appetite for the return to a freestanding Chief Executive role. A combination of issues including financial pressures and downsizing of the workforce were cited.

### **5.2.2 Reducing immediately to one Director**

There was considerable interest and debate on this option. A number of staff thought it inevitable that at some stage the Council would make such a change and that rather than continue to have uncertainty it would be better to 'bite the bullet'. According to staff a significant factor for this view was that job insecurity drives behaviour; this can result in a focus on personal performance rather than contributing toward broader corporate performance. Conducts by some officers, at various levels of the organisation, believed to have been driven by job insecurity, which were inconsistent with the 'Organisational Objectives' were described. Some thought that moving to one Director would remove that uncertainty and help with culture change and the delivery of One Council.

### **5.2.3 Proposed Director of Services to report to Director of Operations**

In this model the organisational responsibilities would be broadly in line with the current consultation document but the Director of Operations would be strengthened with the Director of Services reporting to them. It would assist with clarity about officer leadership. The proposed Director of Services could act similarly to a form of Chief Operation Officer and be selected to provide operational leadership and drive the savings and change programmes. Such roles are common in the NHS and private sector but not in local government because of the large number of statutory post, especially in County and Unitary

Councils. A variation on that theme, having a Director of Transformation instead of a Director of Services, was raised by some staff. Whatever the precise arrangement it could bring significant focus at top management level. There were alternative views that whilst such roles may give added internal focus that would be at the expense of the outward facing agenda.

#### **5.2.4 Flat structure of Heads of Service**

There was some discussion about this option but it was seen as a longer term possibility.

#### **5.2.5 Head of Paid Service**

There was discussion and debate about the Head of Paid Service role. Suggestions were made by some staff that the Head of Paid Service responsibility should rotate between individual post holders on the Corporate Management Group, perhaps on a six monthly basis. It was stated that similar arrangements work well in other Councils. In my opinion whilst it would provide good developmental opportunities for the post holders involved it may bring other risks. I refer to this matter in more detail elsewhere in this report.

Clarity about the two Director posts was requested by one Director stating that if one had an 'informal seniority' over the other it would be potentially distorting.

## **6 RELATED ISSUES AND KEY RISKS IDENTIFIED DURING THE CONSULTATION**

6.1 There are a wide range of risks the Council faces in reducing its workforce both as part of this proposal but generally. Much of the feedback from staff was not to do with the precise organisation of senior staff but was more generic, relating to broader organisational risks. There were particularly strong views that whilst progress had been made on the broader Organisational Objectives those aspects relating to organisational culture and 'One Council' much more remained to be achieved.

6.2 Given the number of people involved there were a significant range of comments some of which were contradictory and some, whilst significant to the members of staff concerned, are not germane to the proposed structural changes. I have sought to triangulate comments to identify those which of widespread concern. They can be summarised:

- Lack of strategic/intellectual and operational capacity
- A lack of pace on cultural change as envisaged in the 'Organisational Objectives' and the drive for One Council
- Senior officers and members continuing to micromanage and the nature of member involvement

- The need to have clarity about longer term priorities and for that to drive the organisational structure
- Clarity about any further restructuring at Head of Service and below
- The loss of key skills and the need be innovative and refresh the workforce
- The risk to the organisational model which could arise through a change of Leader

I comment upon each of these below.

6.3 The issues of 'capacity' and 'culture' are arguably the two biggest risks to the Council and as they are interlinked I deal with them together. In very simple terms the Organisation Objectives seek to streamline the way the Council operates. By greater delegation and empowerment of staff, as suggested by the Staff Commission in 2011, it should enable senior staff to be released from operational detail and support members on the bold outward facing agenda. Capacity would also be released further down the organisation.

A Director pointed out that there was a need to consider reinforcing layers below Heads of Service due to the risk of overloading. Questions were raised as to how new ideas and energy can be brought in to strengthen the organisation going forward.

The Council commissioned a report from Brian Dinsdale in October 2012 to review the progress the Council was making following the reorganisation agreed in November 2011. That report was encouraging about progress on many of the Organisational Objectives but on those dealing with culture stated:

*2.3 However, whilst this is a positive start, there is still much to do. Significantly increased levels of delegation to Heads of Service and other managers have not materialised; there is still a perception that Directors dominate decision making on operational issues and, despite the existence of many cross-departmental groups, a perception of Silo working still prevails. More work is therefore required to resolve these issues.*

*2.4 In my view further progress is unlikely to be achieved without (a) a review and refresh of the member/officer protocol; (b) reducing staff uncertainty through a more open and longer term budget process as far as is possible and (c) a realistic assessment of the capacity of Heads of Service and other managers to take on extra responsibilities.*

A number of recommendations were made in his report; ways the member/officer interface could be streamlined; examination of workloads; the scope for greater delegation to Heads of Service; communication and the need to monitor progress.

It is clear from the very consistent feedback from staff that limited progress has been made in delivering some aspects of the 'Organisational Objectives' in parts of the

Council. Clearly the picture is very different in different parts of the organisation. From all accounts however much more remains to be achieved.

It was widely stated by staff for example that communication up-and-down the organisation is better than it used to be; however, they highlight that the continuing pressures of targets against a background of reduced resources has an unintended consequence of reinforcing silo working and therefore inhibiting communication across the organisation.

From a range of staff it is apparent that the simple principle of delegation and empowerment to Heads of Service and below has not worked in the way that was planned through a range of pressures. Indeed many have seen little or no change.

From their comments, achieving the 'Organisational Objectives' has to a large extent stalled. In discussions with staff too many issues were raised by them which in my opinion drives change in the opposite direction. They included job insecurity, lack of capacity to develop and train staff, lack of effective succession planning, the target driven culture, the short-term nature of many priorities and the reduction in resources; all these issues raised by staff, contribute toward making the delivery of cultural change difficult. A workforce which feels empowered, with appropriate schemes of delegation, has been challenging to deliver.

These comments however need to be tempered by recognition of the pace of change elsewhere in the Council and other significant achievements.

Most staff felt that reducing the number of Directorates would help contribute toward further breaking down what some saw as a silo mentality. At its worst it was described by some staff as 'it will be better to have two silos rather than three'.

The situation as described to me by staff is a culture, in many parts of the Council, where staff do not feel empowered and trusted resulting in continuing upward delegation. This pulls Heads of Service and Directors into day to day operational management and works directly against the 'Organisational Objectives' set in 2011.

6.4 The 'Organisational Objectives' are built upon a presumption that power and authority is delegated down through the Council. Whilst that requires officers to work in a different way it also requires members to change the way that they interface with and deal with Council officers. The general view from the consultation is that there is still too much 'micromanagement' from both senior officers and members. This undermined the 'Organisational Objectives' and adds to the risks the Council faces.

The report by Brian Dinsdale in 2012 pointed to the difficulties in achieving this stating:

*Since the new structure was approved the size of the controlling political group has increased to 23 and 3 new portfolio leads have been selected. This appears to have led to a significant increase in member/officer contact, in addition to that*

*already required as a result of the departure of the Chief Executive. Whilst all officers understand very clearly the need to respond constructively to member demands, the extent of these demands from both portfolio leads and back bench members appears to be having an unprecedented effect on the work and approach of some senior officers. On occasion, it is said that lead members are attempting to take on a quasi managerial role, dipping into the officer hierarchy, which can blur the traditional member/officer relationship, and risk Directors and Heads of Service feeling undermined in their management roles. Directors also find it necessary to respond to more frequent and persistent requests from back bench members, which they believe requires them to retain a greater involvement in operational issues and to 'sit on the shoulders of staff' more frequently than would otherwise be the case; thus mitigating against the objective of a greater detachment from operational duties. These are clearly issues that need to be resolved.*

*In doing so, it is important that good member/officer relationships are maintained. This can best be achieved through a refreshed protocol that gives guidance to both members and officers in this difficult area. It would also help to promote a consistency of approach across service groupings, especially when resources are stretched and member demands cannot always be satisfied within available budgets.*

The feedback from staff was that regardless of attempts to improve the situation the position has remained much the same. Whilst there are areas where the relationships were well understood and roles respected, the feedback from a wide range of staff was that these issues remained a significant problem.

Widespread views were expressed that unless senior staff, senior members and backbench members adjust their ways of working to the 'New World' it will be extremely difficult to free up capacity to deliver the Councils bold improvement agenda against a background of further cuts. It would seem apparent therefore that unless Directors can delegate to Heads of Service and below there will be a loss of strategic capacity by the deletion of one post. This will add to the risks the Council faces.

6.5 The concerns about capacity were exacerbated in the minds of staff by a widely held view that members had failed to prioritise. There were concerns that there was actually an increasing aspiration of elected members potentially placing even more pressure on the officer machine. It was stated that there had been very few 'endings' of services. A senior manager stated that the Council needed to accept that it will not be able to sustain the current scale of delivery with reduced resources and that some services will have to be radically reduced or stopped completely. It was stated that this was not something the Council was good at but that it is now even more critical if the Council are to focus on priorities for economic and cultural regeneration.

All Councils face these problems of conflicting priorities. The scale of the budget difficulties Hastings faces together with its ambitions was recognised by staff and there was very widespread support for the drive to regenerate the Borough.

The Council has been fortunate to date with bids for external funding and maintaining relative financial health, regardless of substantial reductions in government grant. However from comments from a wide range of staff they consider that the Council is reaching a point where it will need to prioritise more explicitly and ensure that the organisational structure reflects those priorities.

Staff showed a high commitment to Hastings and support for the bold plans focussing on regeneration but the mismatch between resources and aspirations was growing with suggestions of significant levels of, for example, unpaid overtime. From comments made especially in the Staff Commission, the continuing uncertainty and the perception of short term planning and a perceived lack of strategic focus was beginning to have a detrimental effect on morale of some staff.

The consultation paper proposes that upon the completion of the current review of the number of Directors there should be a review of the number and of Heads of Service post.

There was concern generally from staff that this was again being driven by short term budget considerations rather than being driven by the Council having determined its longer term strategy and designing an organisation to meet that strategy. From staff comments they appreciated that the Council has worked hard to protect frontline services whilst also delivering its bold aspirations for regeneration. Regardless of cuts in central grant it has been able to manage its budget and services in a way which has avoided the worst aspects of the cuts in public expenditure. However in their opinion this has resulted in a series of relatively short-term described as 'salami slicing' cuts.

It was described by staff as almost like five one-year budgets whereas what they wanted was one five-year budget with clarity around the Council's priorities and direction. Staff expressed the view that this should then be used to determine the organisations structure.

6.6 It was widely stated that many staff with valued experience and skill had left. Staff were concerned that reactive budget driven cuts may be inconsistent with longer term strategy and resulted in continuing uncertainty in all parts of the organisation. Managers particularly highlighted the continuing uncertainty about longer term priorities making it more difficult to plan for change, ensure skill and knowledge transfer and plan for succession. As a result staff commented that they did not believe that the Council was always good at 'exiting' the right staff. Redeployment policies whilst welcomed from a job security point of view by staff can, in the opinion of some managers, lead to sub optimal performance. There were concerns about the age profile of the staff and the need to bring in new blood and a younger workforce.

Staff highlighted the important of retain professional skill and experience and knowledge. A number of areas were cited including external funding and project management. Staff appreciated that much of the restructuring etc activity to date was



driven by not just attempts to maintain services but also to protect staff from compulsory redundancy. Whilst this was appreciated, both staff and managers highlighted the unintended consequences on the Council's knowledge and skill base; many staff thought that from time to time external appointments can help bring in new skills and refresh the workforce.

Some senior staff also expressed concern that whilst financial management was critical it should not determine or become the driver of the vision or the strategy but should support it.

Views were expressed that the Council should not be afraid of breaking traditional or professional boundaries. It was stated that a group of heads of service but with more generic roles cutting across professional and traditional boundaries may help achieve this, but would be a radical change.

6.7 The decision in 2011 to dispense with the role of Chief Executive and allocate the Head of Paid Service responsibility to a Director from all accounts has worked well. The report by Brian Dinsdale in 2012 indicated that the Leader had not had to intervene at any time as a result of difficulties within the Corporate Management Group.

The view expressed at that time and to me subsequently by a range of people is that the arrangement works well in Hastings in large part because of the nature of the political leadership within the Council. Staff expressed concerns about the sustainability of a model which was dependent upon a key individual.

## **7 MATTERS FOR THE COUNCIL TO CONSIDER TO MITIGATE RISK AND ADDRESS CONCERNS RAISED BY STAFF**

It can be difficult to respond effectively to all concerns raised and identify all risks given the timescale for this review. In this section I seek to capture the most significant.

### **7.1 'Organisational Objectives' and One Council**

The delivery of the 'Organisational Objectives' set out in 2011 and refreshed by the drive to be One Council is even more difficult to achieve in a climate of staffing and budget cuts. Inevitably the organisation tends to focus on service delivery and it can be difficult to release resources for a more nebulous issue such as development of organisational culture, where there may be no immediately benefit. However as members have rightly concluded, both in agreeing to the 'Organisational Objectives' and the desire to achieve One Council, they are fundamental to longer term success.

If officers are to be empowered to take decisions they need to be trusted by both their managers and members. There needs to be an acceptance that the price to pay for a swift sharper officer machine with greater delegation will be that from time to time delegation is exercised in a manner which either senior officers or members are unhappy. Where that occurs it should not undermine the general principle with decisions being delegated back up the management chain.

For the organisational model to work senior officers need to use skills of coaching and mentoring and encourage, support and develop staff; likewise members must give them the space to do that. Unless there is an alignment between the way that senior officers and members work with the organisation then staff at lower levels will receive mixed messages about expectations and levels of authority. In such circumstances it can result in delay, prevarication, poor performance and waste.

The Council needs to reinvigorate its change programme and have very clear resourced corporate officer leadership in so doing. It needs to review its own internal controls, how it develops and empowers staff and ensure that there is a consistency of action throughout the organisation at both officer and member level to deliver cultural change. I comment further on the role of Directors in this regard.

More of the drivers in the Council need to work to support the concept of One Council rather than undermine it. For example the management competencies linked to the appraisal system should be refreshed such that annual appraisals, adjusted according to the level of staff, are as focused on culture, values, empowerment, delegation and communication as much as they are on hard service delivery. Likewise 360 degree appraisals for senior managers and above could help assess the success of the required changes and help identify those needing training and support.

These changes cannot be delivered overnight; however if the Council believes that delivering the cultural change is important then it has to act as if it is important and ensure that the key drivers will reinforce the culture, values and behaviours sought rather than undermine them.

The initiatives, conducts and behaviours necessary to deliver the 'Organisational Objectives' need to be clearly defined, properly led and resourced. However this is not only a matter for officers. Delivering the change programme also requires changes in the way that members operate.

## **7.2 Role of members in delivering change**

In parallel with the above there needs to be an understanding from both senior and backbench members of the Council that they need to operate in a way that reinforces the 'Organisational Objectives' and not in a manner which can inadvertently undermine those objectives.

Although from feedback from staff the overwhelming majority of interactions between members and officers are good and positive, the commentary from Brian Dinsdale at paragraph 6.4 shows the degree of change necessary on the part of both members and officers if the cultural changes are to be realised.

This particular issue is a challenge for all Councils and Hastings is far from unique. The demands from members in their 'patch' role does not necessarily decrease as the



Council reduces in size, indeed they may increase. In addition it is an 'Organisational Objective' to 'create the opportunity for greater member input to the strategic work of the senior management team'. These two can, and from all accounts have, combined to put increased pressure on officers.

There is a need for members and officers to be clear about how both types of interaction are handled; as greater power and authority is delegated down the management chain then it is appropriate for members pursuing patch issues to refer to the appropriate officer and not the Director or Head of Service. Both when dealing with Directors and Senior Officers, members need to be clear about what are fundamentally operational matters to be left to officers (at differing levels in the Council) and those which are strategic.

Officers appreciate that often the quality of a decision they take can be improved by engaging with and consulting, for example, patch members. Where it is decision delegated to an officer the member will be aware that they cannot seek to instruct or direct the officer. Experienced officers and experienced members will understand these relationship and roles and respect them. Members need to understand that simply saying 'delegate to a lower tier' to officers not used to dealing with such matters is not always simple and it may take time for changes to be effective.

All officers need to be politically sensitive and just because a matter is delegated to them does not mean that they have to take the decision. There are times, albeit very much the exception, when it is appropriate to delegate upwards. This applies as much to a Director as a Senior Manager. Where that happens it should be explicit to both parties as if it is not it undermines the agreed delegations.

These arrangements normally work well because of years of officer experience in managing that interface. Less senior staff need to be trained and coached in these matters and the Council cannot simply rely on written protocols.

### **7.3 Role of Directors**

The previous organisational structure was built upon three broadly comparable Directorates in terms of size, with Directors with generic job descriptions. The proposed structure with a clear distinction between corporate services and governance and operational services provides an opportunity to reconsider that in the light of feedback from staff and changing pressures.

The current arrangements have been described as 'when the chips are down the HOPS resolves it'. However there is a difference between management and leadership. It can be difficult to provide clear officer leadership on major corporate initiatives in a structure where there is no formal Chief Executive and there is diffuse and possibly inconsistent officer leadership at the top of the Council. Normally a Chief Executive would set the overarching (officer) management culture of the Council.

However this can to some extent be compensated for by Directors taking a leadership role on corporate initiatives, providing not just visible leadership but by leading by example and as Project Sponsors and beyond. In doing so they would both need to show the same commitment to the 'Organisational Objectives' and positively work together to achieve an appropriate management culture if sustainable change is to be delivered. If they do not sign up to the same set of values and principles it will be difficult to achieve One Council.

The difficulty in achieving the 'Organisational Objectives' to date may present challenges particularly for the proposed Director of Services given the span and the nature of public facing services for which the post is responsible. Until the new ways of working set out in 2011 are embedded there is likely to be limited capacity for that post to both lead on external facing work as well as making a significant contribution toward corporate leadership. Arguably the proposed Director of Operations holding the statutory Head of Paid Service role, and having fewer Directorate responsibilities, may be better placed to take a leadership role on the most significant corporate change projects. The Council may also wish to consider for the reasons set out above at 4.2 making the Director of Operations explicitly responsible for corporate communications internally and where appropriate externally. Together it would place emphasis on that post for setting the overall officer management culture of the organisation, consistent with the 'Organisational Objectives'.

Given the relative sizes of the two new Director posts this should not undermine the posts being of equal stature if that principle is to continue; indeed arguably it provides two roles which are more balanced in workload with a greater degree of focus. Nevertheless success will still be dependent upon them both being committed to the cultural changes necessary.

Either way the Council should consider moving away from generic job descriptions and be clear about what it expects of each post and refine its person specification for each post accordingly.

Two Director posts broadly as described in the consultation document, taking on observations and comments as necessary, potentially poses the least risk for the Council.

#### **7.4 Longer term strategy**

Many of the observations by staff in Hastings about certainty will be echoed in Councils up and down the country. There is a great deal of difficulty in providing certainty to staff about the long-term direction of the Council and issues of direct concern to them, such as job security. Indeed given the considerable uncertainties that have surrounded public finances over the past few years it could be argued that declaring long-term strategy too soon could actually undermine staff confidence and add to staff insecurity.

The Council has already embraced some bold new ways of working and service delivery partnerships. Nevertheless there comes a point when it is essential to move from a series of what may be regarded as 'pragmatic organisational decisions' to taking stock of the longer term strategy of the Council and developing an organisational structure which will support it.

The lack of that longer term strategy makes it more difficult to ensure that the Council builds and maintains a 'fit for purpose' structure. One of the key 'Organisational Objectives' is to '*Retain a presumption for internal service provision where value for money can be demonstrated, whilst recognising the value of a mixed economy of provision*'. This objective can be undermined if the Council has not retained sufficient capacity in key areas which it would wish to retain in house due to 'salami slicing' and staff attrition. Some staff have expressed concern that this could result to the Council's skill base shrinking, leading to outsourcing and buying in some services or advice at greater cost.

However in my opinion there could well be unrealistic expectations from some staff about the degree to which 'certainty' can be given. There are uncertainties about grant levels and distribution and a significant part of the Council's drive is to attract external funding. Nevertheless the Council could look at how it can close the gap between the desire for clarity and continuing uncertainty and how it communicates these issues to staff.

The Council therefore needs to consider whether it has reached the point where it needs to start to firm up its longer term strategy in as far as it is able. If so, it should carry that out preferably before the next reorganisation at Head of Service level as referred to below.

## **7.5 Proposed Heads of Service restructuring and loss of skill**

The consultation paper proposes that there should be a review of the number of Heads of Service posts, immediately after this phase of the restructuring.

A clear message from staff is that they would welcome clarity about longer term strategy as set out above; furthermore there were strong views that this should be determined before any changes at lower levels of the organisation. It may be that the Council would benefit from taking more time on its next restructuring and using techniques such as assessment centres to ensure it builds an organisation capable of delivering its longer term vision, but within severe financial constraints. Such an approach would take more time than focussing solely on the Head of Service posts, be more unsettling for a broader group of staff in the short term but it may help build a more resilient Council in the longer term. The Council will at some stage need this more radical review and it may be better to conduct it sooner rather than later.

Staff have also raised concerns about issues of capacity and loss of key skills in a number of areas such as project management and external funding. These concerns of

staff could be addressed at the same time, if a broader review was carried out based on the Council's longer term strategy.

A significant part of the ambitions of the Council are built upon attracting external funding. Some bids for funding can be very time consuming and can take over 12 months to come to fruition. Nevertheless they are vital to the Council achieving not just regeneration but some of its other priorities; external funding may also have the capacity to assist mitigate the worst effects of the downsizing, for staff, in other areas of the Council. It is important that if this is the case within any new organisational structure this activity is protected and where possible or necessary enhanced. A more radical review would also provide greater clarity about skills retention and transfer and respond to many of the other concerns raised by staff.

## **7.6 Governance and innovation**

Reducing the size of the Council with the associated loss of skill and knowledge presents risk. Likewise the drive to delegate and empower staff and ensure that decisions can be taken at the lowest possible level can also bring with it risk. Whilst there needs to be clear accountability and corporate control when dealing with public funds or resources, that needs to be balanced with pragmatism around the capacity of the Council.

Staff did not so much describe a 'blame culture' but more that there was a tendency to be 'risk averse'. However from feedback there was a recognition that the Council needed to encourage creativity and innovation which implies taking calculated risks. Unduly onerous controls can smother initiative.

Concern has been expressed by some staff that the grouping of more central services together may create a 'powerful' and controlling centre and so undermine not just joint working within the Council but also innovation. The Council needs to guard against this and ensure that it strikes an acceptable balance between risk and control.

## **7.7 Changes to Leader or Head of Paid Service**

Whilst there tends to be a focus on the nature of the political leadership in the Council as being a key factor in the success of the current arrangement, it is also dependent upon the skills and personality of the Head of Paid Service. The Council should not assume that risks will not arise if the Head of Paid Service changes. To rotate the post of Head of Paid Service could well add to organisational risk. If the Council places more responsibility on the Director of Operations, which holds the Head of Paid Service responsibilities, for issue such as setting management culture and communications, rotation of the role could undermine that. Finally if the post were to rotate the Council would need to be clear about the contractual position of each member of staff involved and the risk of a redundancy situation arising if the right to rotation of the role was removed.

The Council needs to be mindful of risks in this area and monitor the effectiveness of the arrangements and be prepared to change them should the need arise.

### **7.8 Proposed Job Titles**

There were widespread views that the job titles proposed were confusing. Some alternatives have been suggested such as, for the post proposed to be designated as Head of Paid Service, Director, Corporate Services and Governance or Director, Central Services. For the second post suggestions of Director, Operational Services or Director Partnership and Services has been suggested.

### **7.9 Support staff**

If there is a reduction in the number of Directors it will have an effect upon the number of personal assistants. The Council will need to consider formal consultation with the staff concerned.

7.10 There is a further issue in terms of risk the Council needs to consider. In the past Councils have been able to offer enhanced terms for early retirements or redundancy. Staff may well have left the organisation having signed compromise agreements waiving their rights to take action against the Council for unfair dismissal. In such a climate there was limited risk of action for procedural defects or unfairness. That is no longer the case and all Councils need to ensure that they handle all restructurings and potential redundancies in accordance with employment law, the procedures agreed with staff and Unions and in a fair manner. This report is not a substitute for the Council taking its own legal and HR advice at all stages of the process.

## **8 CONCLUDING COMMENTS**

8.1 The council has received extensive comments on the consultation document from a very wide range of staff. In addition to consultation meetings, there have been a number of written responses including from two of the Directors likely to be affected and Unison. The Council established in 2011 a Staff Commission as part of its consultation processes and they too have been involved. The dialogue and discussion with staff at all levels has been very open, frank and honest and there is a high degree of commitment from the staff to Hastings, and the Council's aspirations to regenerate the Borough.

8.2 A report like this, asked to look at risks, will inevitably focus upon problems and issues of concern. The pace of change, against a background of cuts is demanding for both officers and members. Regardless of this very significant progress has been made across a broad range of activities which will be of benefit to the public and improve the Council. There is a move to open plan accommodation, the establishment of a contact centre, the commitment to agile working and digital by design. Against this background it is not surprising that limited progress has been made on the cultural aspects of the Organisational Objectives.

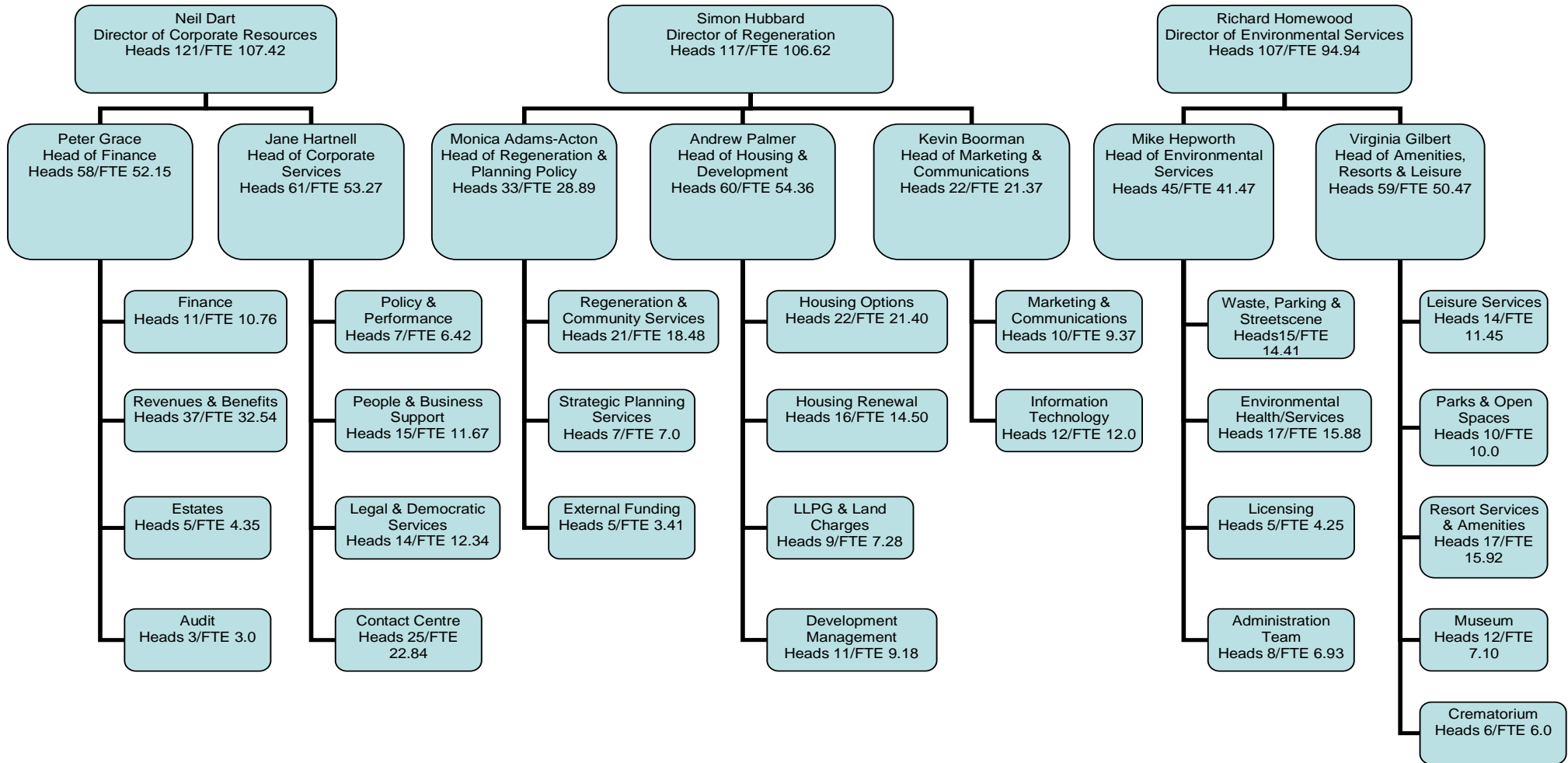
8.3 However the Council has reaffirmed its commitment to these more recently by its stated desire to become 'One Council'. There has been progress in some areas in delivering the required culture but from common assent too little has been achieved to date. That has impacted upon the nature of the responses. The responses have been rather more focused, in a constructive way, on the nature and style of the Council and its management culture as an organisation to work for a rather than 'lines on charts'. The openness of the responses is both encouraging with regard to the Council's relationship with its staff and their commitment to organisational change.

8.4 Regardless of the financial difficulties the Council faces, the Organisational Objectives it declared in 2011 are still important and arguably fundamental to helping the Council to protect as many services as it can, with less. Cultural issues are highly complex in that to deliver them requires change not just by officers but also change by members. Unless the Council does so the capacity issues raised in the consultation response will not improve.

8.5 Finally, whilst difficult for the Council, there is a clear desire from staff to understand fully the long-term strategy, not just from a point of view of job security, but also to ensure that decision taken on staffing and structures will be consistent with that long term strategy. Often it is not possible to give the level of assurances sought but the Council should consider what further steps it can take to respond to those concerns.

David Bowles  
17<sup>th</sup> November 2014

# APPENDIX A







**APPENDIX 2**  
**Branch (9264)**

**Hastings LG**

**Town Hall,  
Queens Road  
Hastings.**

**TN34 1QR**  
11/11/2014

**UNISON RESPONSE TO RESTRUCTURING THE SENIOR OFFICER TEAM  
(HASTINGS BOROUGH COUNCIL) CONSULTATION DOCUMENT**

Please find below UNISON's response to the Consultation Document:

- 1. Sufficient Capacity at a Senior Level:** We welcome the fact that the Council acknowledges the need to ensure that there is sufficient capacity at Senior Level to achieve a Structure that is fit for the future. The Branch requests the provision of further information as to how the Council has assessed that the proposals demonstrate that this is the case.
- 2. Current Structure:** We would expect to have full details of the current structure in order to make informed representations about the potential impact of the proposals. Please provide details of the current Structure (including Grades and Job Titles) for the Directors and Heads of Service.
- 3. Proposed Structure:** It is noted that the proposal is to have 2 Executive Directors (rather than 3) and that these will be an Executive Director Services and an Executive Director Operations. In order to assess the impact of the proposals on staff in the current structure we request that details of the Grades, Job Descriptions and Person Specifications are provided as a matter of urgency.
- 4. Ring Fencing:** Although we have not been provided with adequate information, it is UNISON's belief that there is a significant difference between the status and grading of the Current Director and Head of Service posts. It is therefore difficult to understand how the Council can think it would be fair to ring fence all of the above post holders for the proposed Executive Director posts. We propose that the Council should amend its position and that, at this stage, the ring fence should only be the Corporate Services Director, Regeneration and Planning Director and the Environmental Services Director.
- 5. Measures to avoid Compulsory Redundancy:** In order to avoid Compulsory Redundancy the Council should seek expressions of interest from those currently in the posts at risk in relation to Voluntary Redundancy. Staff who express an interest would require full details of any Redundancy/Pensions Figures before they made a decision in this regard.
- 6. Risk of Unfair Selection:** The fact that the Grades and Job Descriptions have not been shared at this stage causes significant concern in relation to the process. In





paragraph 3.5 of the Proposals it indicates that the “Job Descriptions have been drawn up for the two Directors’ posts”. It is difficult to understand why these have not been shared with the Consultation Document. Staff cannot make an informed decision about the proposals without this information and should be given the ability to comment/raise concerns about the content of these important roles. As well as this enabling individuals to consider how the requirements of these posts might impact upon them, this information also helps to identify further what impact the proposals might have on the services that Hastings BC provide. It is a fact that there are currently a number of assumptions being made, as a result of the proposals, which has resulted in wider staff members presuming that one specific Director and associated staff members will not be part of the new structure. This position puts the Council at risk of the potential for a claim/s for Unfair Selection for Redundancy.

7. **Selection Process:** Please provide more details of the Selection Process that is proposed.
8. **Process Stages:** As indicated, above, UNISON does not believe it is appropriate for the ring fence to include Heads of Service at this stage. In paragraph 3.9 the Council indicates that the newly appointed Executive Directors are to participate in the Heads of Service Review. The proposal to open up Voluntary Severance/Retirement to Senior Officers (presumably including Heads of Service) at this stage seems premature and does not allow Heads of Service to make an informed decision about the future because the Proposed Structure at their level has yet to be decided.
9. **Genuine Consultation:** We welcome the fact that in paragraph 3.13 the Council acknowledge the fact that “restructure can be unsettling and potentially disruptive.” It is also noted that the Council wishes to “allow for a period of genuine consultation and discussion”. However, the concerns we highlight above, particularly in paragraph 6, do indicate that there are some real concerns that certain decisions have been made which undermine the wish for “genuine consultation”.
10. **Impact on Other post holders:** The proposals fail to acknowledge any impact on other post holders. At present there are 3 Personal Assistants working to the current Directors. It is totally insensitive and concerning that the impact (or otherwise) of these Proposals upon these members of staff has not been included in the Consultation Document. UNISON requests that a full assessment of the possible impact upon other staff is carried out and that the details of any possible implications for other post holders is clarified.
11. **Equality Impact Assessment:** Please provide a copy of the Equality Impact Assessment.

Yours Sincerely

*Irene O'Mara*  
Chair



**STAFF COMMISSION****INFORMAL NOTES OF MEETING 13<sup>TH</sup> NOVEMBER 2014****CONSULTATION ON PROPOSED SENIOR MANAGEMENT CHANGES**

The Leader of the Council, Cllr Birch, outline the purpose of the meeting and introduced David Bowles, outlining the reason for his appointment and his role as Critical Friend. The Leader also stated that he wanted uninhibited consultation and so after outlining the reasons for the change and taking questions directly he would leave the meeting so that staff could talk directly to David Bowles.

The Leader highlighted the following issues:

- Senior Management Team was restructured in November 2011
- Post of Chief Executive was removed
- Went from eleven Heads of Service to seven
- Retained three Directors – One of the Directors as Head of Paid Service which is a statutory requirement (currently Director of Corporate Resources) who also chairs the Corporate Management Group
- The 2011 restructure was driven by efficiency and financial requirements
- However the financial situation is worsening so further changes needed
- By 2018 58% of government grant will be gone
- Next two years (2015-16, 2016-17) there is a £4M gap
- Structure of Chief Officer Team needs to be looked at
- Currently getting an efficiency grant. Business case needed to continue to receive this. Won't find out if successful until 4<sup>th</sup> December.
- Business case has a saving figure of £250,000 to achieve in top management cost. However this is not a target, we want the most efficient structure
- Proposing to reduce to two Directors. One for external (Env/Regen) and one for Internal (Corp Res, Finance and potentially Marketing/Comms).
- When reduced to two Directors will need to look at the number of Head of Service's
- This is a continuation of the process that was agreed at the staff commission in 2011
- Need to continue to look at how the Council functions, it's style and culture
- The way decision making happens need to change, more delegation and project teams rather than referring up
- Stop micromanagement
- The restructure should be decided by December with it becoming operation on 1<sup>st</sup> April 2015.

In relation to questions about the salary of the two new posts the Leader indicated that he could not discuss the matter in detail as terms not been agreed yet. Verna Connolly reaffirmed that the job evaluation process is applicable to be used by all employees.

The Leader was asked about some Councillors requiring more attention than others and whether there a way to monitor the demands put on staff by Councillors. He responded that is something he could look at, questioning whether the Council was



able to continue to offer the service that we currently do. He indicated his willingness to think about how to monitor this.

The Leader was asked about the timescale and PA/Secretaries will be affected as there may be a surplus of PA/Secretaries if Heads of Service and a Director is made redundant.

The Leader confirmed that the issue would be looked at and the Council will be looking at job redeployment. If posts are deleted then redeployment would be discussed.

The Leader left the meeting.

David Bowles opened this part of the session outlining what had been raised with him so far.

- As an outsider looking at the organisation there is clearly a growing capacity problem caused by staffing and financial pressures.
- The organisation had started to be streamlined since 2012, less micromanagement, taken the clutter out of processes. However can still improve and reduce staff without a negative effect
- A review was carried out 18 months ago – there has been some progress but still a way to go to remove bureaucracy. Will not be able to deliver without changing the culture of the Council

He indicated it might be better to start with view on these issues and of the organisations culture as that was something the Commission had raised in 2011. A number of comments were made including:

- When you make reductions in some departments it has a knock on effect in other areas. Concerned that with further reductions all departments' efficiency will decrease.
- Silo working is a concern
- There is too much firefighting
- Departments are not unwilling to help each other they just lack the resources to do so.
- Every restructure has led to a loss of expertise, we now have a smaller pool of talent with less skills throughout the organisation which can then lead to outsourcing
- Unrealistic that two directors can do the work of three, cannot continue to increase workloads.
- Managers are good at delegation, however the amount of work people are doing is worrying. People at the bottom may be overwhelmed
- In some parts of the organisation there is a lack of trust
- A lot of people take work home with them
- It's because people care
- People's additional work is taken for granted
- Resilience needs to be looked at. Our team is working to capacity. Means it is hard to deal with projects that come out of the blue on top of everyday workload. If we aren't given the time to work on securing additional funding it is a loss of money for the town. Staff need time to be able to go the extra mile.
- Restructure is going on at all levels of the Council.



- Middle managers feel more and more work is coming down the line.
- While this is a senior management restructure it actually affects everyone. It has hidden effects
- Top people can be defensive of their positions which can drive the silo affect.

A number of staff suggested that in due course the structure would go to one Director and there were questions about whether it would be better to get to that point sooner and remove the uncertainty and help create 'One Council'. There were also strong feelings that there should be more of a bottom up review based on what the Council could afford to do going forward.

David Bowles then asked about communication. The following comments were made including:

- I think communication is quite good, it does depend on who you know
- It has got better in recent years within Directorates
- Some departments feel they should be informed of a particular project/issue earlier so that the additional work can be built into service delivery plans.
- It is improving
- Multiple departments delivering on one project can lead to problems. But communications has improved.
- Our teams communication is good. Now we are all in the same space and closer to each other it has become very good. Location is important
- Communication is bad in satellite offices – cut off and isolated
- Working from home can cause problems, don't see some of the team. Human touch is disappearing, home working, part time

David Bowles highlighted some of the points that have come out of the discussions

- Need realism from the Council Councillors
- Concerned about loss of skills
- Culture changes – more trust and delegation
- Workforce is taken for granted
- Communication is improving, but more to be done
- 'One Council' approach, not yet understood by everyone
- Council needs to look at the long term structure from the bottom up

David Bowles asked for views on the steps the Council could take to mitigate any risks or problems arising from the changes. Comments included the following:

- There was a lot of support for the external agenda as that was where the priorities were but there also needed to be support to internal activities
- Ensure that senior staff are not defensive as that builds silos
- These changes may just mean 2 silos rather than one
- Accept that staff have to take risks
- Develop people
- Make sure that corporate memory is not lost when people leave
- Consider bringing in younger people and look at succession planning
- Lighten internal regulation



- Consider moving straight to one Director as that may help create 'One Council'
- The Council needs to say 'no' to doing some things – it never seems to be able to say 'no'

Finally David Bowles provided his email address to staff if they wanted to raise issues with him outside of the open meeting.

