

COUNCIL

16th JANUARY 2020

Report of the Chief Executive

RESILIENCE, RESOURCES, PRIORITIES

PURPOSE OF REPORT

The report sets out the Chief Executive's proposals to realign organisational resources in response to a number of staffing changes in order to ensure that the Council is adequately resourced to deal with existing and future priorities and challenges.

RECOMMENDATION

1. That the Council acknowledges the need to determine its future priorities through the formulation of the Corporate Plan and acknowledge the non-priorities in order to ensure that organisational resources can be effectively and efficiently aligned to maximise delivery.
2. That Council support the principle of appointment to the post of 'Corporate Director' and that it is included within the draft budget for 2020/21 and the updated Medium Term Financial Plan and that a further report be presented to Council on the precise details and proposed recruitment process for this position.
3. That Council note the retirement of the Head of Corporate Services with effect from 31st May 2020 and support the recruitment of a new 'Director of Corporate and Customer Services' utilising specialist recruitment consultants as outlined in the report.
4. That Council note the future retirement intentions of the Democratic Services and Electoral Services Manager and support the recruitment of a new Democratic Services and Electoral Services Manager to work alongside the existing post-holder for a period of up to 6 months and that the costs of this appointment be included within the draft budget for 2020/21 and the updated Medium Term Financial Plan
5. That Council support the proposals for the restructure of Environmental Health as outlined in the report and that the costs of the restructure be included within the draft budget for 2020/21 and the updated Medium Term Financial Plan.
6. That Council note the proposed restructure within Estates and Facilities team and the intention to review the structure within the Regeneration and Policy team in accordance with meeting Council priorities.
7. That Council note the major projects and work programme for the next 12-18 months and have due regard to this and the impact that this work will have on the availability of organisational resources.
8. That the Chief Executive undertake a review of existing roles and responsibilities within the Corporate Leadership Team in order to maximise strategic capacity to deliver on the Council's priorities.

WARDS AFFECTED

All Wards

STRATEGIC LINK

The need for the Council to deliver and maintain a sustainable financial plan underpins the District Council's Corporate Plan. An effective organisational structure that is appropriately resourced and aligned to the delivery of the Council's priorities helps to deliver the Council's ambitions and plans for the District as a whole.

1. BACKGROUND

- 1.1 The Council's budget is significantly affected by the policies and decisions made by central government. The Government has previously announced its intention to undertake a Fair Funding Review and a review of the Retained Business Rates system during 2019, however neither of these reviews have yet concluded. However, both of these reviews have the potential to significantly affect the amount of funding available to the Council in future years which makes long term financial planning difficult.
- 1.2 During the last 12 years, year on year, the Council has had to deliver savings and efficiencies and fundamentally review its options for how it delivers its services whilst maintaining balanced budgets. This is against a backdrop of increasing demands for services both from residents and Members.
- 1.3 The Council has always prided itself on providing high quality, responsive services that contribute significantly to residents' well-being and quality of life. However, there is an increasing need to be clear on what the Council's priorities are and conversely, what the non-priorities are, in order to ensure the efficient and effective alignment of organisational resources. The formulation of a new Corporate Plan will be critical to this discussion.
- 1.4 In March 2019, Council approved the updated Medium Term Financial Plan and this continues to be developed alongside the current budget monitoring process. Due to the financial uncertainty that continues to exist beyond 2020/21, there is a need to proceed cautiously in regard to any new long term financial commitments, at least until the financial future of the Council becomes clearer. Beyond the 2020/21 financial settlement, there will, no doubt, be further pressures placed on Local Government and we will need to revise our projections once this future position becomes clearer.
- 1.5 Despite the continuing financial pressures, it is essential that the Council has sufficient resources, appropriately aligned to deliver upon the Council's priorities.
- 1.6 In response to the above, the remainder of this report looks at:-
 - The recommendations arising from the Corporate Peer Challenge;
 - Organisational structure and capacity;
 - Major projects and work programmes;

2 CORPORATE PEER CHALLENGE

- 2.1 The final feedback report following the Local Government Association (LGA) Corporate Peer Challenge undertaken 22nd – 24th October is still awaited. However, as part of their final presentation, the LGA team reported that the district council has a good understanding and appreciation of its local context and is focussing on continually improving local community relationships. The Council is also regarded as an effective leader of the district by partners who attest to the authority being a good partner to work with. Underpinning all of our activities is a consistent record of good financial management. The Council therefore has a very strong foundation despite the ongoing long term financial uncertainty that exists.
- 2.2 However, the key recommendations outlined to the Council as part of the LGA Peer Challenge presentation also offer a series of constructive challenges on the Council's need to:-
- Develop a strong narrative and vision for the area that is owned and understood by members, officers and key stakeholders;
 - Ensure the new Corporate Plan is forward looking and takes account of the potential for a fresh approach which is collectively owned and resourced;
 - Ensure that our commercialisation approach is sufficiently clear, ambitious and realistic;
 - Consider its own skills base and investment capability to promote jobs and business growth;
 - Engage with strategic and local organisations to build trust and community capacity to advocate for and deliver on important initiatives.
- 2.3 A copy of the final report will be circulated to Members as soon as it is received. The Corporate Leadership Team (CLT) will also review the final recommendations and formulate an Action Plan to be presented to Members for consideration and approval.

3 ORGANISATIONAL STRUCTURE AND CAPACITY

- 3.1 The Corporate Peer Challenge identified that the District Council has good, dedicated staff who are well thought of, enjoy working for the Council and are clearly dedicated and passionate about working for Derbyshire Dales. These views are also reflected in the 2019 staff survey with 80% of staff either fairly satisfied or very satisfied with the district council as an employer.
- 3.2 This is particularly encouraging in the context of the last 12 years or so, where the Council has been streamlining its service delivery and staff numbers have reduced significantly to ensure that frontline services are protected and the books are balanced. However as a consequence, the pressure on staff to do more for less, at all levels within the organisation continually grows. This is against a backdrop of salary and wage constraints that invariably do not keep pace with the cost of living and being in the part of the public sector family that attracts little public support, unlike the NHS or Police. Given this framework within which the staff and Members are working, it is ever more important to ensure that the organisation uses its capacity wisely and recognises that it cannot continue to increase the pressures on existing staff without something giving way. This means that both Members and the public need to be more aware of what this organisation can realistically and financially deliver, particularly in the discretionary service areas and, where statutory services are concerned, to consider whether there are better or different ways of delivering for the future. It also means that prioritisation

of what this Council does now and in the future is increasingly important and understood and respected by all.

- 3.3 In regard to organisational capacity, there are a number of areas that require immediate attention.

Corporate Leadership Team

- 3.4 The Corporate Leadership Team (CLT) currently comprises the Chief Executive and six heads of service (Resources, Regeneration and Policy, Corporate Services, Regulatory Services, Community and Environmental Services and Housing Services)
- 3.5 The role of the Corporate Leadership Team is to develop and implement the Council's approved policies commensurate with the achievement of the Council's overall aims, objectives and priorities. CLT also discuss key issues affecting the management of the organisation and consider other internal control issues including risk management, performance management, compliance, efficiency and value for money and financial management.
- 3.6 The internal appointment of a new Chief Executive in June 2018 created a vacancy in the form of a Corporate Director. The role of the Corporate Director was first established in 2013 in response to a LGA Peer Challenge which identified a lack of strategic capacity to support the delivery of the Council's priorities. At this time, two Corporate Director's posts were created with the intention of creating additional capacity at a strategic level, beyond Head of Service level. The role of the Corporate Director was to work with the Chief Executive in taking forward the transformation agenda and to deliver other strategic projects across the organisation.
- 3.7 The roles proved to be extremely beneficial and enabled the Council to deliver a number of key strategic projects in the period 2014 - 2018, none of which would otherwise have been delivered. In January 2015, one of the Corporate Director posts was deleted from the establishment following the retirement of the post-holder and the savings accrued have contributed towards the Council's corporate savings target. Following the Chief Executive's appointment, the remaining Corporate Director post remains vacant on the establishment, albeit not included within the current 2019/20 salaries budget. As such, this vacancy has also contributed towards the corporate savings target.
- 3.8 As was the case in 2013, the 2019 Corporate Peer Challenge has again recognised that there is a lack of strategic capacity within the organisation as members of CLT are frequently drawn into operational delivery. The peer review team noted a suggestion from members that it would be appropriate to reintroduce the Corporate Director role and the Corporate Leadership Team also support this view in order to provide additional strategic input and resilience. The role would also deputise for the Chief Executive as appropriate.
- 3.9 The rationale which led to the designation of these posts in 2013 is as relevant now as it was then and the inability to effectively lead and co-ordinate large scale strategic projects (such as the waste contract renewal, revenues and benefits contract renewal, the climate change agenda, commercialisation initiatives and the customer innovation project) without impacting other services – all of which also place additional burdens on the Chief Executive and the remaining Heads of Service (who also need to manage day to day service departments). As a consequence, the capacity of the organisation to embark upon or participate in, strategic projects (internally and externally) is currently

severely restricted and is hampering the ability of the Council to effectively deal with these significant issues.

- 3.10 Members are therefore asked to support the recommendation of the peer review team and to agree to the principle of this position being reintroduced on the current 'Corporate Director' Grade which gives a salary scale range of £78,225 - £83,013 (£100,461 - £106,683 including oncosts). If approved, the costs of this appointment would need to be included in the 2020/21 budget. The Chief Executive will then undertake a review of existing CLT roles and responsibilities and report back to a future meeting of Council on the details of any revised organisational structure, redistribution of roles and responsibilities and costs. If agreed, it is proposed that the appointment of a 'Corporate Director' would be made through a process of internal and external advertisement utilising recruitment consultants in order to consider a broad pool of candidates with a wide range of relevant experience. The precise details of the recruitment process would be the subject of a separate report to Council.
- 3.11 Notwithstanding the above, the existing heads of service as senior leaders within the organisation, are expected to not only lead their respective departments but to also act on behalf of the Chief Executive (as appropriate) and to represent the Council in a wide range of external stakeholder environments with the necessary authority to speak on behalf of the District Council. As such, their strategic role and influence both within and outside the council needs to be clearly recognised and understood. In comparison to organisational structures elsewhere, it is apparent that the Derbyshire Dales senior leadership post designations are no longer reflective of their strategic roles and responsibilities. In order to address this situation, it is proposed that the current head of service positions be re-designated 'Director of' with effect from 1st February 2020. There are no financial implications arising from this recommendation, however the re-designation of these senior posts may assist the Council in attracting and recruiting future prospective employees of the calibre required, such as the situation outlined below.

Corporate Services

- 3.12 The Council's Head of Corporate Services has informed the Chief Executive of her decision to retire from the Council with effect from 31st May 2020 and has kindly offered a period of extended notice in order to enable the Council to deal with this transition. This extended period of notice will enable a number of key projects to be progressed which the Head of Corporate Services is currently leading on, thereby enabling a smoother transition than would otherwise be possible.
- 3.13 The post of Head of Corporate Services is a key position within the District Council with responsibility for democratic services, business support, electoral services, land charges, communications and marketing and legal services. The post-holder is a critical advisor to members and external partners and also fulfils the roles and functions required in order to discharge responsibility under Section 5 of the Local Government and Housing Act 1989 with regards to the role of Monitoring Officer. The Head of Corporate Services is also the Council's appointed Returning Officer and Electoral Registrations Officer, however these are personal appointments which in accordance with a previous decision of Council (27th July 2017), will revert to the Chief Executive upon the post-holder leaving the employment of the Council.
- 3.14 As Head of Paid Service, the Chief Executive has a responsibility to put in place arrangements to ensure effective co-ordination of the authority's different functions

including the organisation of the authority's staff and to report these proposals to Members.

- 3.15 The existing post-holder has a wealth of experience obtained through a long and distinguished 41 year career with the District Council. In order to ensure that the Council is able to effectively discharge the responsibilities of this position, it is considered that there is a need to recruit to this position. However, in recognition of the future potential of this post to fundamentally review and redefine our relationship with our customers as part of the implementation of our Customer Relationship Management system (CRM) and wider corporate transformation agenda, it is proposed to re-designate the post to 'Director of Corporate and Customer Services'.
- 3.16 In light of the specialist nature of this position, it is considered necessary to appoint external recruitment consultants to assist in undertaking a national recruitment exercise in order to target and attract candidates of the calibre required. The appointed consultants would also assist in the shortlisting and technical interview process. In accordance with the Council's Financial Regulations, quotations have been invited from three specialist recruitment consultants and will be reported verbally to the meeting. As the costs of recruitment are one-off costs, these would normally be met from savings accrued across the organisation through delayed recruitment.
- 3.17 It is proposed that the terms of appointment would be based upon the existing terms and conditions and can be contained within the existing approved budgets. In accordance with Part 4(5) of the Council's Constitution (Officer Employment Procedure Rules), the new appointment will be made by the Head of Paid Service with appropriate external support, following a shortlisting selection and technical interview process.
- 3.18 The Head of Corporate Services has, for many years, played a significant role in the organisation and management of local and national elections, ably supported by a team of officers including the Council's Democratic Services and Electoral Services Manager.
- 3.19 The post-holder has also indicated to the Chief Executive that she intends to retire from the District Council by October 2020. This prospective retirement alongside the retirement of the Head of Corporate Services will mean that the Council's two most experienced elections staff will be leaving in quick succession which poses a significant risk to the Council. In order to mitigate this risk, it is considered that a recruitment exercise needs to be initiated immediately in order to recruit a new Democratic Services and Electoral Services Manager to work alongside the existing post-holder for a period of up to 6 months in order to ensure an effective transition period. The cost of this 6 month overlap is estimated at £21,365 including oncosts, which would need to be taken into consideration in the formulation of the Council's 2020/21 budget.

Estates and Facilities

- 3.20 The Council's Estates and Facilities Team currently comprises an Estates and Facilities Manager (Mike Galsworthy) and an Estates and Facilities Officer (Mark Wooller). The Council also employs external valuation and surveyor support through a consultancy arrangement.
- 3.21 Notwithstanding the outsourcing of the management of the Council's leisure centres, the increasing demands placed upon the Estates and Facilities team from Members, Town and Parish Council's and external partners involved in land transactions etc. significantly exceeds the resources we have available to be able to effectively deal with

the volume of work that exists. This has been a longstanding problem and is one which the Council must address both in the interests of the employees concerned but also in order to deliver the service that is expected. It is also an issue raised by the peer review team.

- 3.22 The Chief Executive and the Head of Regulatory Services, in consultation with the Corporate Leadership Team (CLT) has initiated a review of the Estates and Facilities Team in order to determine what future skills and resources are required to effectively deliver this service. Whilst this work is yet to be concluded, consideration will be given to increasing resources within this section. Where this can be achieved within the overall employee budget, delegated authority already exists for CLT to implement the necessary changes. Where this cannot be achieved, a report will be brought back to Members for consideration.

Environmental Health

- 3.23 The Environmental Health team provides a wide range of the District Council's key regulatory services. In broad terms these can be summarised as:

- Food safety
- Health and safety at work
- Infectious disease control
- Private sector housing enforcement – housing standards
- Disabled facilities grants
- Statutory nuisance – noise, smoke, odours, fumes, premises etc.
- Air quality
- Environmental permitting – air pollution control at certain key industries
- Contaminated land
- Home energy conservation
- Environmental crime – in partnership with other Council teams
- Anti-social behaviour – in partnership with other Council teams
- Private water supplies
- Unauthorised encampments – Travellers

- 3.24 In addition they provide an inspection service for a number of licensable activities (animal welfare, caravan sites etc), planning consultations, and deal with some more niche services such as assisted funerals, abandoned vehicles, vulnerable adults (VARM), private drainage, mineshaft capping, disused quarries, Sunday trading, event safety and food export certificates.

- 3.25 Over time the Environmental Health establishment, like many services has reduced significantly from a peak of 18.5 FTE (full-time equivalent) technical staff to the current 8.5 FTE with a degree of consultancy support. Whilst some circumstances have changed and the teams are less generic than they were, the key demands remain and some of the services are in fact much more demanding than they were historically. This is particularly the case with food enforcement, where central regulation by the Food Standards Agency means that the quality of inspection work and the required bureaucracy that follows it, takes considerably more time, knowledge and management to undertake and oversee than was previously the case.

- 3.26 The Environmental Health team is divided into two sub-teams, termed Commercial and Public Health. The Commercial Team deals with food safety, health and safety at work, infectious disease control and licensing inspections, and the Public Health Team deals with pollution control, private sector housing, private water supplies etc.
- 3.27 In terms of strategic/management capacity within the Team there has been a considerable decrease. Again at its peak the Environmental Health management team consisted of an Environmental Health Manager and three Principal Environmental Health Officers (Commercial, Private Sector Housing and Environmental Protection). The situation now is that management capacity is provided through one Principal Environmental Health Officer, who reports to the Head of Regulatory Services. All 11 technical staff (not all FTEs) report direct to the Principal Environmental Health Officer for line management purposes, although out of necessity the Head of Regulatory Services is also heavily involved in the operational running of many of the functions operated by the Team.
- 3.28 In reality, the Principal Environmental Health Officer runs the great majority of the functions of the Commercial Team and the Head of Regulatory Services is more involved in the operations of the Public Health Team, such as Disabled Facilities Grants (DFG's) and Travellers. This situation relies heavily on the technical Environmental Health skills and professional knowledge of the Head of Regulatory Services which is a situation that cannot be taken for granted and is not sustainable in the longer term, particularly in regard to succession planning and future service resilience.
- 3.29 The very flat structure means that almost all of the Principal Environmental Health Officer's time is taken up managing general operational matters, both important and trivial, with no time within the Service for strategic thought, policy development, staff development, transformation or general progress, resulting in the under-utilisation of the skills possessed by the post-holder and expected in the role. It places pressure on the Council's legal requirement to have an identified member of staff acting as the lead on food safety matters, on the ability to keep up-to-date with legislative changes and concentrates all the visible Environmental Health responsibilities into one job role. There is no real possibility of career progression within the Team and does not recognise the additional commitment shown by some team members that enables the service to continue to perform at the level that it does.
- 3.30 From the point of view of the Head of Service, it means that the Head of Regulatory Services directly manages the DFG budget, deals with FOI requests and is personally involved with every Traveller encampment that occurs, in addition to still being seen by many as the lead officer on large aspects of Environmental Health work. This is in addition to managing a number of other high profile, public facing services including Development Management and Licensing.
- 3.31 CLT has therefore considered a revised structure for Environmental Health which responds to the issues identified above and creates a new post of Environmental Health Manager and a Principal Environmental Health Officer. The additional annual cost of this revised structure is within the range £56,808 to £61,135 including oncosts.

Regeneration and Policy

- 3.32 Economic development has been a key priority for the Council for a number of years and is again emerging as a key priority as part of the new Corporate Plan (2019-2023). Following the adoption of our new Economic Plan, there is a need to invest in strategic

capacity to improve the use of housing and employment sites and drive negotiations with developers in order to achieve site delivery. The peer review team also recommended stepping up from enabling to delivery which will require a different skill set to that which currently exists.

- 3.33 In the coming months, the Head of Regeneration and Policy will be reviewing the resources available to the Council to deliver our regeneration, housing and economic development ambitions. A further report will be presented to Members in due course.

4. MAJOR PROJECTS AND WORK PROGRAMME

- 4.1 In addition to the day to day delivery of services and progressing corporate priorities such as climate change, affordable housing and economic regeneration, there are a number of significant projects during the next 12-18 months which Members need to be aware of, all of which will consume time and resources. These include:

Implementation of the Waste and Recycling Contract

- 4.2 The recent decision of Council to award the Waste and Recycling contract to SERCO in August 2020 has triggered a seven month mobilisation period which will involve devoting extensive resources to the development and promotion of the new chargeable garden waste service which is critical to the financial affordability of the new contract.

Revenues and Benefits Contract

- 4.3 The Revenues and Benefits service for Derbyshire Dales is currently provided by Arvato, who also provide the Chesterfield Borough Council (CBC) service. The majority of staff associated with the service are located in CBC offices. The current contract between Arvato and Derbyshire Dales expires on the 16th October 2020. CBC have signalled their intention not to renew their contract with Arvato and following a decision taken by the Governance and Resources Committee (11th July 2019), a new hybrid service delivery model is to be pursued in partnership with Chesterfield Borough Council. An exit plan is being prepared for the expiry of the contract with Arvato and an agreement with Chesterfield BC is being drafted.

Review of Clean and Green Service Standards

- 4.4 The Council has recently appointed a new Environmental Services Manager (Samantha Grisman), who will be joining us on the 20th January. This follows a decision by CLT to create more capacity in Environmental Services by separating the previously combined roles of Environmental Services Manager and Waste Manager. Sally Rose, who has been undertaking the joint role for the last 2 years, will now solely focus on the role of Waste Manager given her significant experience in that field which will be critical to the successful implementation and management of the new waste contract.
- 4.5 The Head of Community and Environmental Services has already committed to undertaking a review of service standards during the next 12 months that will take account of resources as well as member aspirations. This will be a very significant and challenging piece of work which will involve stakeholder and Member consultation and involvement. The scope and details of this review will be brought to a future meeting.

Derbyshire Dales Local Plan Review

- 4.6. During 2020/21, work will commence on a review of the Local Plan. The existing Plan was adopted in December 2017, so the review is required to have concluded with a new Local Plan in place by December 2022. As well as requiring significant work by the planning policy team with support from specialist consultants, the review will entail extensive public and member engagement.

Climate Change

- 4.7 At its full Council meeting on 30th May 2019, the District Council resolved to declare a climate emergency, to make Derbyshire Dales District Council carbon neutral by 2030, to call upon the UK Government to provide the powers and resources to make the 2030 target possible, to work with partners across the county and region to deliver this new goal through all relevant strategies, and to report back to Council within six months with the actions the Council will take to address this emergency.
- 4.8 On 26th September 2019 Council received a report setting out a 'road map', which identified those areas of Council work and influence that the Climate Change Working Group believed were most relevant to this subject. Since that time the Group has concentrated on setting out those action that support the 4 priorities identified in the road map, which they believe can be delivered, or initiated by 31 March 2020, the details of which are covered elsewhere on this agenda.
- 4.9 However moving forward, in order to progress the work of the Climate Change Working Group and to realise the Council's carbon neutral ambitions, there will be a need to commit dedicated resources either in partnership with other Derbyshire authorities or within the Council itself. This is an area of work which is currently the focus of attention through Derbyshire Chief Executives Group and will be subject of a further report to Council once clear proposals for any joint working and sharing of resources emerges.

5. RISK ASSESSMENT

5.1 Legal

The Head of Paid Service is required by Section 4 of the Local Government and Housing Act 1989 to report to Council on proposals concerning the organisation of the Council's staff and appointment and proper management of the Council's staff. The legal risk is therefore assessed as low.

5.2 Financial

The annual additional costs (including oncosts) of the proposed changes to the structure are estimated as:

- £56,808 to £61,135 for Environmental Health
- £100,461 to £106,683 for the 'Corporate Director' post.

The one-off cost of the overlap for the Democratic Services and Electoral Services Manager is £21,365 including oncosts. The recruitment costs for the post of 'Director of Corporate and Customer Services' can be met from savings arising from vacant posts in 2019/20. Should members approve the changes to the organisation structure recommended in this report, the costs will be included in the draft budget for 2020/21

and an updated Medium Term Financial Plan. As the Council still has savings to achieve, the financial risk is assessed as high; this must be balanced against the financial risks of an insufficiently resourced organisation which would also be high.

6. OTHER CONSIDERATIONS

In preparing this report the relevant of the following factors has also been considered; prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

7. CONTACT INFORMATION

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8. BACKGROUND PAPERS

None