

HAMPSHIRE COUNTY COUNCIL

Committee:	Employment in Hampshire County Council
Date:	5 July 2021
Title:	Senior Management Adjustments
Report From:	Chief Executive Designate

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Purpose of this Report

1. The purpose of this report is to seek EHCC agreement to the organisational and senior management changes necessary as a result of the current Deputy Chief Executive and Director of Corporate Resources being appointed as the County Councils next Chief Executive, commencing 19 July 2021, and the necessary actions and timescales towards implementation.

Recommendation(s)

2. It is recommended that the EHCC Committee agree the organisational and senior management changes necessary as a result of the current Deputy Chief Executive and Director of Corporate Resources being appointed as the County Councils next Chief Executive, commencing 19 July 2021 as follows:-
 - To delete the post of Director of Corporate Resources.
 - To agree the expansion of the role of the current Head of Finance and redesignate to Director of Corporate Operations / Chief Financial Officer and, with an appointment panel in early September followed by a recommendation to County Council on 30 September in line with the requirements of the Constitution regarding this Statutory Appointment.
 - To agree the expansion of the current Assistant Director Human Resources & Workforce Development and redesignate to Director of Human Resources, Organisational Development & Customer Engagement Services, with a Member Appointment Panel in early September.
 - To agree to redesignate the current Corporate Finance Manager role to Head of Finance and this role holder will be the Deputy Chief Finance Officer for the County Council, with a Member Appointment Panel in early September.

- To note that the current Head of Pensions will become the Deputy Chief Finance Officer for the Pension Fund.
- To agree the expansion of the current role of the Head of Shared Services and redesignate as Director of Shared Services, with a Member Appointment Panel in early September
- To agree that the following posts will be appointed to on an interim basis with effect from 19 July:-
 - Director of Corporate Operations / Chief Financial Officer
 - Director of Human Resources, Organisational Development & Customer Engagement Services
 - Head of Finance
 - Director of Shared Services

With a report to County Council on 22 July to appoint the Chief Financial Officer on an interim basis as required in line with Constitutional requirements regarding this Statutory Appointment.

- To agree the appointment of two Deputy Chief Executive roles through due process and appointment by the Chief Executive, open to current members of the Corporate Management Team.
- Agree to the creation of a new Assistant Chief Executive role reporting directly to the Chief Executive, focussing on Partnerships, to be filled through an open recruitment process.
- It is also proposed that subject to Member appointment panel, delegated authority be given to the Chief Executive in consultation with the Chairman of the EHCC Committee to set salary rates for each of the post holders referred to in this report which are reflective of the established rates for the posts.

Executive Summary

3. The current Chief Executive, John Coughlan, is due to retire on Sunday 18 July and following a national search and selection process, final interviews were held on Monday 7 June 2021 with a unanimous recommendation to appoint Carolyn Williamson, the current Deputy Chief Executive and Director of Corporate Resources as the County Councils Chief Executive commencing on 19 July. This recommendation was agreed by County Council on Monday 21 June 2021.
4. The future challenges post-covid will focus heavily on two key strands, firstly, ensuring the continued highly performing services are maintained for the residents of Hampshire whilst secondly, increasing the focus on the opportunities for sustainable Economic Recovery and Growth.

5. It is vitally important that organisational and senior management capacity are realigned in order to meet the key challenges ahead:-
 - Securing our finances under current tremendous national economic pressure.
 - Pushing forward with Collective Wisdom (an ambitious new operating model) to ensure we prosper for the future after COVID-19.
 - Leading CMT in sustaining service excellence - the hallmark of the County Council.
 - Focussing on the Economic Development of Hampshire post COVID-19 and post EU exit.
 - Preparing for the White paper, including levelling up, devolution and the potential for local government reform, recognising the current County Council may be facing inevitable change.

Corporate Services

6. There are currently three direct reporting lines within the 'Corporate Services Department', the Director of Corporate Resources, the Monitoring Officer and the Assistant Chief Executive.
7. The Director of Corporate Resources is a core member of the Corporate Management Team and has responsibility for:-
 - Finance & Pensions
 - Internal Audit
 - HR & WfD
 - IT
 - Transformation
 - Shared Services – IBC
 - Procurement
8. The Monitoring Officer is responsible for Legal and Democratic Services and the Assistant Chief Executive is responsible for Customer Engagement Services (CES), both roles report directly to the current Chief Executive with the Assistant Chief Executive being an 'advisor' to CMT but not a member of CMT.
9. The current role of Director of Corporate Resources has been expanded at various points since 2010 and whilst the current incumbent has continued to consume ongoing additionality, when stepping back, the role appears to now be unsustainable as a single role from a capacity perspective, particularly

given the ongoing expansion of the shared services arrangements across the IBC and Pension Services.

10. The Customer Engagement and Legal & Democratic Services teams reporting directly to the Chief Executive requires the current incumbent to perform the role of a Chief Executive and 'Director' regarding the relationship with these two service areas and there is a real risk that the teams become excluded and isolated from the rest of the organisation. Alternatively, the risk is that the Chief Executives gets bogged down in performing a Director role for those marginalised services.
11. It is proposed to redesign the roles at the Corporate Centre to better reflect the needs of the organisation going forward.
12. It is proposed to delete the current role of Director of Corporate Resources.
13. It is proposed to expand the current role of Assistant Director of HR & WfD and redesignate the role to Director of HR, OD & CES. The role holder will be a core member of CMT and responsible for HR & OD and Customer Engagement as well as having responsibility for the Head of Corporate Services Transformation. Whilst this structure maintains the existing role of the Assistant Chief Executive (CES), the current role holder has requested efficiency retirement. In reviewing this request, in light of the other changes referenced in this paragraph, we have been able to support the efficiency retirement, re-organise responsibilities and therefore have deleted the post from the structure.
14. It is proposed to expand the current role of Head of Finance and redesignate the role to Director of Corporate Operations / Chief Financial Officer. The role holder will be a core member of CMT and responsible for:-
 - Finance
 - Pensions
 - Internal Audit
 - Procurement
 - Strategic oversight of Shared Services & IT
15. The current Head of Finance is the Deputy Chief Financial Officer for the County Council and Pension Fund therefore in order to fill these roles it is proposed to redesignate the current Corporate Finance Manager role to Head of Finance and this role holder will be the Deputy Chief Finance Officer for the County Council, and the current Head of Pensions will be the Deputy Chief Finance Officer for the Pension Fund.

16. It is proposed to expand the current role of Head of Shared Services and redesignate the role to Director of Shared Services. The role holder will be a Deputy Chief Officer, not a core member of CMT, and be responsible for:-
 - Shared Services - IBC
 - IT
 - Shared Service Transformation

17. This means the Chief Executive will have three direct reports at the Corporate Centre:-
 - Director of Human Resources, Organisational Development & Customer Engagement Services
 - Director of Corporate Operations / Chief Financial Officer
 - Monitoring Officer

18. But in order to avoid the Chief Executive also performing the role of 'Director' the Director of Corporate Operations, in whose absence the Director of HR, OD & CES, supported by the Head of Corporate Services Transformation, will have responsibility for the management and leadership role across the Corporate Centre functions, running a Corporate Services Management Team as follows:-
 - Director covering Finance, Pensions, Internal Audit & Procurement
 - Director covering IBC, IT & Transformation
 - Director covering HR, OD and Customer Engagement
 - Monitoring Officer covering Legal & Democratic Services

19. Appendix 1 provides a structure chart for the proposed new arrangements, but only identifies those posts where there are changes. Other posts and reporting lines remain the same, although the existing post of Assistant Chief Executive has been removed as outlined above.

Necessary Actions and timescales towards implementation

20. In line with the County Council's Constitution and Standing Orders, the following changes are recommended to EHCC for approval with effect from 19 July 2021, on an interim basis
 - Director of Corporate Operations / Chief Financial Officer
 - Director of Human Resources, Organisational Development & Customer Engagement Services
 - Head of Finance

- Director of Shared Services
21. A recommendation to County Council will be made on 22 July to appoint the Chief Financial Officer on an interim basis as required in line with Constitutional requirements regarding this Statutory Appointment.
 22. A Member Appointment Panel will be scheduled for early September in order to determine the appointments on a permanent basis with a further report to County Council on 30 September to confirm the permanent appointment of the Chief Financial Officer again in line with Constitutional requirements regarding this Statutory Appointment.

Deputy Chief Executive

23. Cabinet at its meeting in April 2009 approved the principle of a Deputy Chief Executive to:
 - Provide managerial cover in the absence of the Chief Executive;
 - Recognise the change, nature and scope of the role of the Chief Executive in managing corporate change and transformation across the whole Council; and
 - Provide an opportunity for management development.
24. The future challenges post-Covid will focus heavily on two key strands, firstly, ensuring the continued highly performing services are maintained for the residents of Hampshire whilst secondly, increasing the focus on the opportunities for sustainable Economic Growth.
25. It is vitally important that organisational and senior management capacity are realigned in order to meet the key challenges ahead:-
 - Securing our finances under current tremendous national economic pressure.
 - Pushing forward with Collective Wisdom (an ambitious new operating model) to ensure we prosper for the future after COVID-19.
 - Leading CMT in sustaining service excellence - the hallmark of the County Council.
 - Focussing on the Economic Development of Hampshire post COVID-19 and post EU exit.
 - Preparing for the White paper, including levelling up, devolution and the potential for local government reform, recognising the current County Council may be facing inevitable change.

26. It is therefore clear that there will be an increased need for the most senior strategic capacity and it is therefore proposed to appoint two Deputy Chief Executive roles. These are not new appointments they will be additional responsibilities allocated to current members of the Corporate Management Team.
27. It is proposed that the Deputy roles are directed as follows :-
- One to be predominantly inwards facing related to maintaining the high levels of performance of County Council Services for the residents of Hampshire. It is proposed that this role will relate more closely to the 'People' agenda with an appointment from Children's Services or Adults Health & Care.
 - One to be predominantly outwards facing related to an economic recovery and a sustainable economic growth agenda linking to the expected white paper related to 'levelling up'. It is proposed that this role will relate more closely to the 'Place' agenda with an appointment from ETE or CCBS.
28. It is intended to run a process whereby CMT colleagues can apply, as appropriate, for the additional responsibility as one of the Deputy Chief Executive roles, with due process determining the successful applicants. It is recommended that the Chief Executive be authorised to implement this change and an update will be provided to EHCC upon conclusion of the process. Albeit the two appointments may move at differing timescales with the internal facing role progressing immediately and the outward facing role in due course once the requirements of the role are clearer.

Assistant Chief Executive

29. The County Council has been very successful in building an 'extended organisation' as attached at Appendix 2. This has created a number of very important partnership arrangements whereby the County Council has expanded its services in areas which are both high performing and also sought after in the marketplace. This is a popular and growing aspect of the County Council and its success, and it is important to nurture those relationship and/or have the capacity to further develop the model.
30. It is therefore proposed to create a new Assistant Chief Executive role, reporting directly to the Chief Executive in order to create that additional capacity to develop future prospective opportunities in addition to ensuring the continued success of the current partnership arrangements, across Hampshire Districts and/or other public sector partners. It is anticipated that this role will generate offsetting income to cover the annual costs through future partnership arrangements, but any initial costs will be met from

Corporate Services Cost of Change Reserves, whilst the post becomes established. The role will not be a core member of CMT but will attend CMT where appropriate.

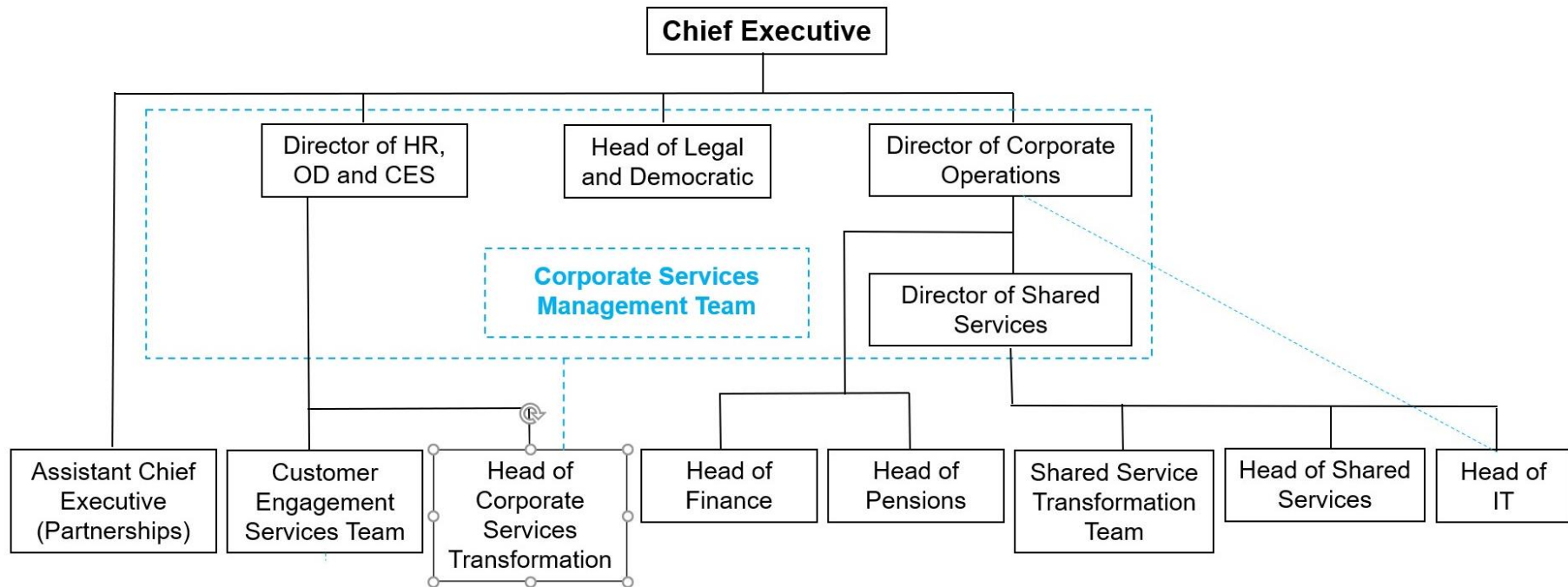
Financial Implications

31. There are no financial implications resulting from this report, all costs are contained within the current budgets or can be met from existing cost of change reserves. The efficiency retirement of the Assistant Chief Executive (CES) will generate savings for future years.

Conclusion

32. The proposed approach takes full advantage of the exceptional skills and talent already available at a senior level within Hampshire County Council, allowing decisive action to be taken regarding the necessary changes to the organisational structure in order to allow a clear focus on the significant challenges ahead.
33. The recommendation is to agree these arrangements to ensure that capacity and capability at the required level is retained, ensuring essential stability at a time of significant challenge. It is therefore proposed that a Member Appointment Panel be convened to consider confirmation of these arrangements.
34. This is a process which meets the requirements of Standing Orders and has been adopted for a number of years whereby Panels have approved the appointment of internal candidates to key senior management roles.

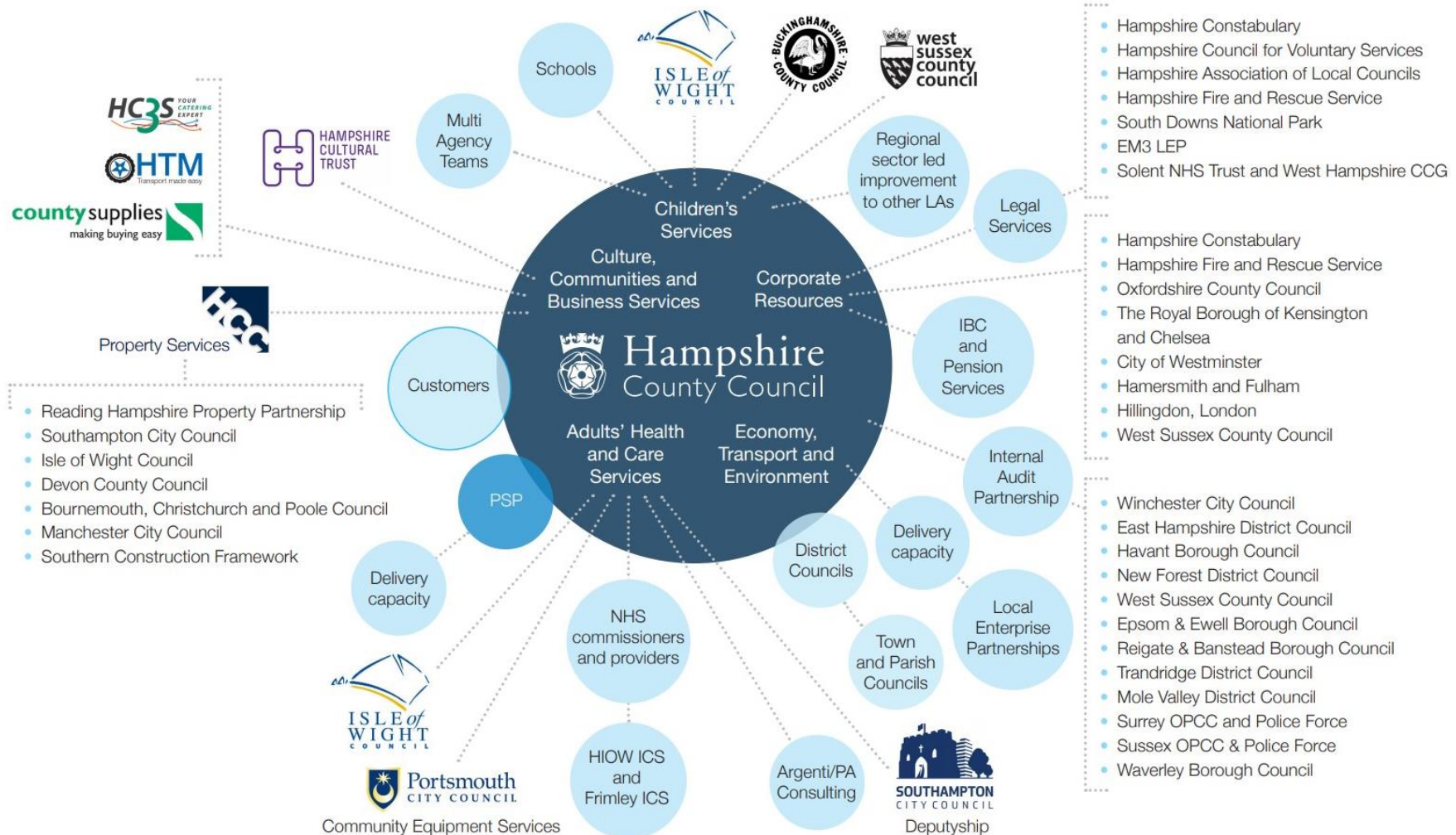
Proposed Management Arrangements



NB : This chart only provides details of posts directly affected by the proposed changes, other roles and reporting lines remain the same

Our extending organisation | 2021

A graphic of Hampshire County Council's income generating partnerships



REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

This proposal does not link to the Strategic Plan but potentially impacts the County Council's workforce strategy.

Other Significant Links

Direct links to specific legislation or Government Directives

<u>Title</u>	<u>Date</u>
Corporate Management Capacity	13 March 2019

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

Equality objectives are not considered to be adversely affected by proposals in this report.