



Full Council

Organisational Priorities for 2020 and the need for change

Date: 26 February 2020

Key decision: Yes

Class: Part 1

Ward(s) affected: All wards

Contributors: Kim Wright, Chief Executive

Outline and recommendations

This report sets out the Chief Executive's organisational priorities for 2020 and the outcome of the consultation on changes to the Council's senior management structure and sets out a revised structure.

Full Council is recommended to:

- note the contents of this report and the structural reorganisation at paragraphs 5.2, 5.3 and the appendices.
- note the establishment of five new Council posts and agrees that they should be paid at a level of remuneration on the JNC2 and JNC3 salary scale, as set out in paragraph 5.3

Timeline of engagement and decision-making

Formal engagement with the post holders affected by the structural changes commenced from 22 January 2020 for a period up to 7 February 2020. As a result of this engagement Council is now made aware of the proposals and incorporated comments and feedback into this paper.

1. Summary

This report sets out the Chief Executive's organisational priorities for 2020 and the outcome of the consultation on changes to the Council's senior management structure and sets out a revised structure. These changes are to enable the organisation to better address the challenges we face whilst harnessing and maximising the opportunities available to us.

2. Recommendations

2.1. Full Council is recommended to:

- note the contents of this report and the structural reorganisation at paragraphs 5.2, 5.3 and the background papers.
- note the establishment of five new Council posts and agrees that they should be paid at a level of remuneration on the JNC2 and JNC3 salary scale, as set out in paragraph 5.3

3. Policy Context

3.1. The Corporate Strategy, with its seven priorities, clearly articulates the actions and commitments required of the Council to deliver the bold and ambitious political commitments. In order to do this effectively, at pace and within the reducing resources available, I propose a number of changes to the senior leadership of the Council. The proposal will enable better grip on the delivery of priorities, build strategic capacity for partnership working while ensuring robust decision making.

4. Background

4.1 I have been impressed by the commitment, competence and dedication that I have seen from officers and there is clearly huge ambition and pride amongst the workforce. There is much great work to build on and huge potential to release. It is a privilege to be Chief Executive and Head of Paid Service here.

4.2 My view that has formed is that in order to build on these strengths, better harness the organisation's potential and deliver the Corporate Strategy at pace, there is a need for change to refocus some areas of our work, realign some services and refresh the organisation's culture. In practice, this will mean, alongside continuing to deliver the Corporate Strategy and 'business as usual' services, my focus, and that of the Senior Leadership Team, will be on the following seven priority areas over the next year.

4.3 Financial Management

We need to continue to spend our money in the most efficient and effective way so that we can have the greatest impact. Our Medium Term Financial Strategy

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is robust and based on solid assumptions and I am confident in the Council's financial position. But we cannot be complacent. We must ensure that our approach to savings proposals is robust, challenging and supportive and that agreed savings are delivered. We can no longer look at budget planning solely in terms of cuts to services. We need to be ambitious, looking at cross-Council service redesign and transformation as a new way of achieving necessary savings while focusing on improving our commercial acumen and offer in order to ensure value for money, efficiency and better outcomes for residents.

4.4 Organisational Culture and Our People

From staff surveys, Member and staff feedback along with my personal face-to-face interactions, it is clear to me that there is a need to develop and embed a culture that encourages collaboration, creativity and leadership at all levels. We need to ensure we are fit for the challenges we face as a modern, global city, able to harness the opportunities that will present themselves. We must move towards a culture:

- where we have a collaborative, 'One Council' approach to working, both internally and with our diverse communities;
- where the workforce is truly valued and respected, productive, joined up, involved in policy development and diverse, reflecting the people and communities we work with;
- where leadership isn't just linked to seniority but is developed and enabled to flourish throughout the organisation;
- where we have a genuinely inclusive workplace, able to speak openly about bullying, discrimination and exclusion, for example, act upon concerns and tackle the lack of BAME staff at senior levels;
- focused on organisational development, ensuring we've got the right skills, fit for the future;
- where the best ideas thrive in a business-like environment;
- where there's a grip on delivery of priorities;
- where the best possible policy advice, based on evidence, insight and data is available so we can make the best possible decisions;
- where accountability and scrutiny is welcomed and we address barriers to change and under performance head on;
- where there is a bias towards openness;
- with a focus on resolution and learning, not blame, when things go wrong;
- where we are an employer of choice where people come to work every day with a clear sense of purpose, confident in being able to bring their best and real self to work.

Our staff play a critical role in the delivery of the Corporate Strategy. They need to be clear on their purpose, priorities and objectives in order to maintain integrity, accountability and deliver better outcomes. We need to foster open, honest and constructive conversations to enable and empower staff to shape and understand the impact of their work on delivering against priorities. Staff must be supported, coached and managed in a way that allows them to ask questions, innovate and feel confident in their work. Our people at all levels

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need to focus on working collaboratively – internally and externally – to deliver outcomes within available budgets.

4.5 Our Residents' Experience

There is a need to improve the experiences of our residents, ensuring consistency and quality. We must focus on understanding residents' perspectives, shaping our services around their needs. We need to make better use of technology to improve our online self-serve options so people can access and use our services at times and places that suit them. We need to make the digital experience so good that residents make a choice to interact with us that way.

However, before we can do that we need to stabilise and then improve our current ICT services as levels of performance and reliability are inadequate, albeit clear indications of improvement recently. We need to take a firm grip on the current range of ICT-enabled change projects, ensuring resource implications and benefits are fully understood and realised. Yet we must also manage expectations about what is realistic, affordable and deliverable with our existing systems. We know that some of our most vulnerable residents and customers may not be able to make use of digital options, irrespective of quality, so we must ensure that our residents can still use other channels to communicate with us, including on the phone and face-to-face.

4.6 Evidence-Based Decision Making

We need to improve the way we use our data and better align policy, priorities, performance and resources. We need to improve our performance management and analytical capabilities by adopting a shared single view of our performance and activity, accompanied by data and insight (both internal data and insight about our communities) that is readily available and used in decision-making across all levels. We also need to really understand our communities, using thoughtful insight and data to help us make good decisions with them and for them.

4.7 Governance and Attitude to Risk

Building on the work undertaken as part of the Local Democracy Review, internally we need to continue to adopt a fresh approach to governance which favours systems and processes that support swift and effective decision making, where risks are understood and mitigated appropriately. We also need to rationalise internal processes and review structures in order to minimise the levels of bureaucracy and enable more efficient decision-making.

4.8 Project and Programme Management

We need to improve the way we manage, monitor, deliver and evaluate our major projects and programmes, ensuring consistency of approach, modelling of good practice and sharing lessons learned. We need a single approach which gives a clear line of sight across the range of major projects and programmes in order to reduce duplication, clarify accountability, enable

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effective and timely reporting and provide assurance of delivery or intervention if and when things go off track. I intend to review the existing plethora of boards and projects and establish a corporately consistent programme management approach.

4.9 Communications

An organisation which is capable and speaks with a consistent and coherent voice is far more likely to engender trust, credibility and appreciation, both internally and externally. There are plans in train to improve the strategic and external communications offer, making it more proactive, horizon scanning and focussed on delivery of priorities. There is also a compelling need to have a stronger focus on internal engagement and communications with staff. Evidence tells us that an engaged workforce is more motivated and productive and more likely to stay with and advocate for the Council.

5. **Senior management structural changes**

5.1 As a part of achieving these priorities, there is a need for changes to the Council's senior management structure. These changes will enable a better critical mass of key services to be marshalled together, inject some capacity where it can have most impact and enable different approaches to be adopted, in order to tackle the key issues, so assisting the organisation to modernise and effectively deliver the corporate strategy at pace. In summary, the key objectives of these structural changes are:

- Improving services and outcomes for residents;
- Delivering significant financial savings;
- Ensuring there is grip and control of priorities and resources;
- Delivering the corporate strategy at pace, promoting Lewisham and refreshing our organisational culture.
- Putting residents at the heart of regeneration;
- Making better decisions based on insight and analysis;
- Building resilient communities and strengthening/aligning Lewisham's cultural offer;
- Ensuring an inclusive, accessible and well-maintained public realm;
- Enabling swift and effective decision making and strengthening accountability;

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5.2 It is intended to delete a number of posts, as follows:

Post deletion	Number of posts FTE	Grade	Salary Range
Director of Law	0.6 FTE	JNC2	£108,975 - £114,132
Director of Environment	0.6 FTE	JNC3	£ 97,410 - £102,669
Director of Strategy and Communication	1 FTE	JNC3	£ 97,410 - £102,669
Director of Corporate Policy and Governance	1 FTE	JNC3	£ 97,410 - £102,669
Director of Public Protection and Safety	1 FTE	JNC3	£ 97,410 - £102,669
Director of Strategy, Partnerships and Improvement	1 FTE	JNC3	£ 97,410 - £102,669
Director of HR and Organisational Development	1 FTE	JNC3	£ 97,410 - £102,669
Director of Culture and Community Development	1 FTE	JNC3	£ 97,410 - £102,669

5.3 A number of new posts are to be created:

New posts	Number of posts FTE	Grade	Salary Range
Assistant Chief Executive (Director-level post)	1 FTE	JNC2	£108,975 - £114,132
Director of Public Realm	1 FTE	JNC2	£108,975 - £114,132
Director of Law, Governance and HR	1 FTE	JNC2	£108,975 - £114,132
Director of Communities, Partnerships and Leisure	1 FTE	JNC3	£ 97,410 - £102,669
Director of Culture, Learning and Libraries	1 FTE	JNC3	£ 97,410 - £102,669

All these grades have been independently externally graded in line with the Council's pay policy.

5.4 This is a net reduction of 2.2 FTE posts from the 2nd tier of the organisation. Any related reporting line changes for services will be dealt with under delegated powers by officers, in line with the Constitution, and they do not form part of the approvals needed from Full Council. Current and proposed senior leadership structures can be found in Appendix A.

5.5 For clarity the following posts hold the key statutory officer roles:
 Chief Executive – Head of Paid Service
 Executive Director, Community Services – Director of Adult Social Services
 Executive Director, Children and Young People – Director of Children's Services
 Executive Director, Corporate Resources – Section 151 Officer
 Director of Law, Governance and HR – Monitoring Officer
 Assistant Chief Executive – Scrutiny Officer

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6. Financial implications

- 6.1 The respective service budgets in the relevant Directorates will be impacted by these changes. There is a net annual revenue saving from the proposed deletion/creation of posts of £271,000, including on-costs. Any one-off costs, such as redundancy payments, arising as part of the 'managing for change' process will be borne corporately from provisions.
- 6.2 The related budget adjustments required to ensure future costs are captured in the right place will be made by the Acting Chief Finance Officer, in consultation with the Executive Management Team, and published in the budget book. This also extends to the potential reporting line changes noted at 5.4 above.

7. Legal implications

- 7.1 As the Head of Paid Service under Section 4 Local Government and Housing Act 1989 the Chief Executive must be satisfied as to the organisation of the Council's staff to fulfil Council functions. It is her view that the revised structure will fulfil that objective.
- 7.2 By law, certain employment functions are the responsibility of the Mayor and Cabinet and some are non-executive functions. Reorganisations are Mayoral functions and under the Mayoral Scheme of Delegation, such matters are delegated to the Chief Executive save to the extent that more than 200 people are affected.
- 7.3 By contrast, agreement to terms and conditions are non-executive functions and the Council's Pay Policy which is a statutory requirement under the Localism Act 2011 sets out, amongst other things, the Council's policy for remuneration of senior staff. By virtue of the Council's Pay Policy, where new posts are created, as is the case here, appointments may not be made to those posts if the remuneration applying to that post would be more than £100,000 unless the Council has agreed to that level of remuneration. It is for this reason that the Council's approval is now sought to the remuneration set out in paragraph 5.3.
- 7.4 The Council's usual redundancy procedures will need to be followed where a redundancy situation arises. The Council has a public sector equality duty (the equality duty or the duty - The Equality Act 2010, or the Act). It covers the following protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - advance equality of opportunity between people who share a protected characteristic and those who do not.
 - foster good relations between people who share a protected characteristic and those who do not.

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- 7.5 It is not an absolute requirement to eliminate unlawful discrimination, harassment, victimisation or other prohibited conduct, or to promote equality of opportunity or foster good relations between persons who share a protected characteristic and those who do not. It is a duty to have due regard to the need to achieve the goals listed above. The weight to be attached to the duty will be dependent on the nature of the decision and the circumstances in which it is made. This is a matter for the decision maker, bearing in mind the issues of relevance and proportionality. The decision maker must understand the impact or likely impact of the decision on those with protected characteristics who are potentially affected by the decision. The extent of the duty will necessarily vary from case to case and due regard is such regard as is appropriate in all the circumstances.
- 7.6 The Equality and Human Rights Commission (EHRC) has issued Technical Guidance on the Public Sector Equality Duty and statutory guidance. The Council must have regard to the statutory code in so far as it relates to the duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found on the EHRC website.
- 7.7 The EHRC has issued five guides for public authorities in England giving advice on the equality duty. The 'Essential' guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice.
- 7.8 The Council is under a duty by virtue of Section 3 Local government Act 1999 to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness. The remuneration of the new posts as proposed in this report is designed to improve services and with regard to those factors set out in that Section 3.
- 7.9 The Council is also under a duty by virtue of Section 17 Crime and Disorder Act 1998 to have regard to the effect of these proposals on crime and disorder in the area. It is not expected that there will be any such impact.

8. Equalities implications

- 8.1 There are a total of 8 posts deleted of which 1 is vacant and 1 is covered by an agency member of staff so 6 council employees are affected directly. There are 3 female and 3 male members of staff; 1 has a disability and their age profile breakdown is as follows:

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46 - 50	
51 - 55	1
55 +	5

However, due regard will be paid to considering the equalities implications of the restructuring proposals and any future changes that may flow as a result.

9 Climate change and environmental implications

- 9.1 There are no direct climate change or environmental implications arising from this report.

10. Crime & Disorder implications

- 10.1 There are no direct crime and disorder implications arising from this report.

11. Health and wellbeing implications

- 11.1 There are no direct health and wellbeing implications arising from this report.

12. Appendix A

- 12.1 Senior leadership structure charts, current and proposed.

13. Report author and contact

- 13.1 Kim Wright, Chief Executive
kim.wright@lewisham.gov.uk 020 8314 6235

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