

Cheltenham Borough Council

Organisational Review

Accountable member	Appointments and Remuneration Committee
Accountable officer	Gareth Edmundson, Chief Executive
Ward(s) affected	None Directly
Key/Significant Decision	No
Executive summary	<p>This report aims to provide the Appointments and Remuneration Committee with an update on the development and delivery of Cheltenham Borough Council's second phase of the Organisational Review.</p> <p>Since the implementation of the first phase of the Organisational Review that was completed in September 2022, the organisation has continued to evolve to meet our strategic priorities and drive efficiencies to contribute to wider savings targets.</p> <p>Two further vacancies, one at Executive Director level and one at Director level have created an opportunity to review senior management portfolios especially in light of the recent LGA peer review which has made a number of recommendations to the Council to consider.</p> <p>This report recommends that the A&R committee appoint a cross-party sub-committee for the recruitment of any necessary interim senior management positions required to facilitate the second phase of the organisational review and to ensure that appropriate capacity remains in place to deliver ongoing council priorities. In addition, this report also proposes a change to a post within the Major Developments and Regeneration Team to facilitate the strengthening and growth of that team to deliver the Council's ambitious capital and regeneration ambitions across the borough.</p>
Recommendations	<p>The committee is recommended to</p> <ol style="list-style-type: none">1. Note the development of the organisational review as set out in the report.2. Authorise the Chief Executive, in consultation with the Chair of the Committee to establish an appointments process for any necessary interim arrangements to facilitate and deliver the second phase of the organisational review.3. Appoint a sub-committee for the appointment of any interim arrangements to provide appropriate cover and capacity at Director level comprising of the Chair of the A&R committee and two other committee members.

	<p>4. Approve the re-grading of the existing position of Senior Development Manager from existing Grade L to Grade M in recognition of the broadening of responsibilities of this role and the strengthening of the Major Developments and Regeneration Team.</p>
Financial implications	<p>Any necessary funding for temporary interim resources will be met from the cost savings associated with senior vacancies within the organisation. Primarily these are the Executive Director for Communities and Place and the Director for Climate Change and Place Services respectively. It is not envisaged that like for like interim cover will be required but rather interim cover will be used for key projects or services ensuring that the costs of interim resources will be within existing budgets.</p> <p>The cost of moving the Senior Development Manager Post from Grade L to M will be met from within the existing budgets of the Major Developments and Regeneration Team.</p> <p>Contact officer: Paul Jones, Executive Director Finance, Assets and Regeneration, paul.jones@cheltenham.gov.uk,</p>
Legal implications	<p>The appointment to director posts as referenced within this report falls within the remit of Appointments and Remuneration Committee which may delegate to a sub-committee. The appointing body must include at least one Cabinet Member. The Employment Rules must be followed which include inter alia the requirement, prior to appointing (or dismissing) directors, to consult with the Leader and Cabinet.</p> <p>Contact officer: Claire Hughes, Corporate Director and Monitoring Officer, Claire.hughes@cheltenham.gov.uk</p>
HR implications (including learning and organisational development)	<p>HR implications are set out throughout the report.</p> <p>Contact Officer: Ann Wolstencroft ann.wolstencroft@cheltenham.gov.uk</p>
Key risks	<p>The key risks are set out in Appendix 1</p>
Corporate and community plan Implications	<p>The ability to be able to effectively deliver the authority's corporate plan and ambitions has been fundamental to informing the organisational review and of particular focus has been the administration's priorities relating to delivering the Golden Valley Development and addressing Climate Change.</p>
Environmental and climate change implications	<p>An ambitious Climate Change Pathway was presented to Full Council in February 2022. The organisational review will continue to deliver more strategic capacity to drive transformation and the achievement of the actions and ambitions captured within the pathway.</p>
Property/Asset Implications	<p>There are no operational property and asset matters arising from this report. However, the organisational review will aim to create greater synergy between CBC's assets and the delivery of major developments and capital schemes.</p>

1. Organisational Review Implementation and Progress to date

- 1.1 The first phase of the organisational review was completed by the start of September 2022. The completion of this phase involved:
- All senior job descriptions being reviewed and amended as necessary to ensure they were accurate to the roles.
 - Recruitment panels being convened to appoint to vacant/new posts as a result of approval by Full Council.
 - Implementation of revised pay and grading structure as agreed by Full Council.
- 1.2 Following the implementation of phase 1, the co-design of phase 2 of the organisational review was launched in September 2022. This involved all service managers being tasked to engage with their respective teams and senior managers to review their respective service with colleagues and to come forward with proposals for any necessary re-alignment or changes to structures.
- 1.3 As a result of this work a series of further changes to staffing structures have been made in the following areas:
- Revenues and benefits and parking services to better integrate services.
 - Delivery of a shared Communications function with Cheltenham Borough Homes
 - Finance and assets to increase skills and capacity to meet organisational need.
 - The creation and building of a Major Developments and Regeneration function. This has also included a reduction in posts within the central project management team.
 - Development of a corporate function to cover risks, performance and a programme office to support and oversee delivery of corporate priorities and projects.
 - The development of a joint customer services and business support function.
 - Strengthening of capacity within business analysts to enable modernisation and the delivery of Netcall as the Council's customer platform to maximise efficiency and customer services benefits.
 - Bringing the HR service back in house which was previously undertaken by Publica.
- 1.4 A key area of the organisation that has undergone significant review is the planning service which has undertaken a recent peer review. A key change to the organisational structure within planning has been the deletion of the Head of Planning role to be replaced with a separate Head of Development Management and Enforcement, and Head of Planning Policy. While the Head of Development Management and Enforcement has been appointed, the Head of Planning Policy remains a vacancy following the first recruitment process and the post will be re-advertised.

Director Level Vacancies and LGA Peer Review

- 1.5 While the first phase of the organisational review was implemented successfully, organisations continually evolve. In September two Director level vacancies will exist in the organisation following the departure of the Executive Director for Communities and Place and the Director of Climate Change and Place Services.
- 1.6 When any senior vacancy is created in an organisation it is important to review and make any necessary changes to test and match against Council priorities. This is particularly important considering the recent LGA Peer Review that was undertaken in the week of the 17th of July. The Peer Review provided positive assurance that the Council was on the right track but recommendations were made in the following areas that must be considered on any future organisational structure. Key Peer Review recommendations that will impact organisational structure were:
- Refine the pathway and delivery to Net Zero 2030.

- Look for opportunities for further alignment with Cheltenham Borough Homes.
- Consider how you consult and engage particularly around the place.
- Review how the Council approaches its priorities around Climate Change, maximising the partnership to CBH
- Alongside the work to bring the HR team in house, consider how the culture of the organisation can be further embedded along with co-designing an Equalities Diversity and Inclusion Strategy as well as improvements being made to staff inductions, appraisals that include targets back to corporate priorities.

- 1.7** In addition to the recommendations within the peer review, further vacancies within the Climate Change and Place services portfolio, namely within the Climate Team and Townscape provide a further opportunity to undertake a review within those teams to ensure they are fit for purpose.
- 1.8** These circumstances combined with the full report of the LGA Peer Review, expected in the coming months, mean that it is important that the Council review these senior vacancies and the composition of portfolios across senior positions so that any appropriate changes can be made.
- 1.9** It is therefore recommended that some temporary interim capacity may be required to ensure that key strategic priorities are resourced and to cover any gaps in recruiting and replacing senior posts.
- 1.10** While the cost of interim senior management can be costly this can be met within existing resources drawn from cost savings associated with these senior vacant posts within the organisation.
- 1.11** The Constitution provides for the Appointments and Remuneration Committee being “responsible for the appointment and dismissal of any Executive Officers”. It is therefore recommended that the Chief Executive be authorised, in consultation with Chair of A&R, to establish and implement the process for the recruitment to the post.
- 1.12** It is custom and practice from this committee to delegate to a cross-party sub-committee of this committee for the appointment process. Therefore, it is being recommended that this committee constitute a sub-committee for the appointment of any senior interim posts.
- 1.13** **Further detail regarding the Climate Change and Place Services portfolio can be found in Exempt Appendix 2.**

2. Strengthening the Major Developments and Regeneration Team

- 2.1** As part of the organisational re-design a clear recommendation approved by Full Council in 2022 was to move away from retaining a generic project management function and to develop specialist in-house capacity and skill to deliver large scale capital projects.
- 2.2** This shift in specialism has progressed well with a reduction in the number of general project and programme managers and the creation of a Major Developments and Regeneration Team.
- 2.3** The team is comprised of two key strands reporting into the Director. These are development and construction respectively and are currently fulfilled by a Senior Development Manager (currently Grade L) and a Head of Construction (approved by the A&R committee at Grade M).
- 2.4** A further Development Manager has been recruited and reports to the Senior Development Manager and two further posts which will report to the Head of Construction comprising of a Construction Project Manager and Commercial Project Manager are currently out for recruitment.
- 2.5** When the Senior Development Manager was originally recruited to it was prior to the

organisational review and the establishment and growth of a Major Developments and Regeneration Team. The post was initially entirely dedicated to the overseeing the Golden Valley Development. However, since the role of the team has expanded and now includes a portfolio of projects, it now includes a direct report with further recruitment to the team planned in the future. In addition to the Golden Valley Development, the Major Developments and Regeneration Team are working on the following key existing and future projects:

- Completion of the MX development
- High Street Regeneration and re-development of Poundland
- North Place
- Municipal Offices
- Meeting future depot needs for waste and recycling
- Any future capital projects relating to the council's leisure and cultural assets
- Meeting current and future housing needs.

2.6 A key lesson from previous delivery of capital projects has highlighted the importance of ensuring that the Council have a specialised and dedicated team to enable and deliver the Council's capital programme.

2.7 In order to facilitate the growth of projects and remit of the team it is therefore recommended that the post of Senior Development Manager is moved from Grade L to Grade M and is retitled as "Head of Development". This both creates appropriate balance in the team and enables and supports the future growth of the team to enable the delivery of the Council's capital agenda.

2.8 The respective salary grades which highlight the change are set out below.

2.9 The costs of this proposed change will be met from within the existing and planned resources of the Major Developments and Regeneration Team.

2.10

L1	Grade L		£56,980	£58,905
L2	Grade L		£59,246	£61,171
L3	Grade L		£61,256	£63,181
L4	Grade L		£64,125	£66,050

M1	Grade M		£74,146.00
M2	Grade M		£78,430.00
M3	Grade M		£82,393.00

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Appendices	1. Risk Assessment
Background information	

Risk Assessment Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If strategic capacity, skills and focus on authority-wide modernisation and organisational development (values, skills, competencies, behaviours) does not exist there is a risk that the authority will not be as effective and efficient as it might be, and will be less able to deliver against its ambitions			4	4	16	Reduce	A&R Committee approve the principles within this report	August 23		
4	If the right expertise and skills are not available to key programmes such as Golden Valley and other Capital schemes this will			4	3	12	Reduce	A& R Committee approve the recommendations in this report	August 23		

	represent a significant risk to the organisation										
6	If appropriate pay and grading is not implemented it will restrict the ability of the organisation to recruit and retain talent			3	4	12	Reduce	A& R Committee approve the recommendations in this report	August 23		

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close