

# Corporate Policy and Resources Committee



17 July 2023

<b>Title</b>	Corporate Establishment Review
<b>Purpose of the report</b>	To note
<b>Report Author</b>	<i>Daniel Mouawad Chief Executive, Sandy Muirhead Group Head Commissioning and Transformation</i>
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	
<b>Corporate Priority</b>	Service delivery
<b>Recommendations</b>	<b>Committee is asked to:</b> <i>To note the report and its contents</i>
<b>Reason for Recommendation</b>	<i>In January 2023 CPRC requested a review of the establishment and terms of reference were agreed. This report provides a summary of the detailed report which attached as Appendix B.</i>

## 1. Summary of the report

- 1.1 This report seeks to inform the Corporate Policy and Resources Committee (CPRC) of the conclusion on the Corporate Establishment Review in line with the terms of reference (TOR).
- 1.2 South-East Employers (SEE) have delivered the review and this covering report provides a summary of their conclusions.

## 2. Key issues

- 2.1 At a meeting of Corporate Policy and Resources Committee on 16 January 2023, the Committee considered a report that outlined the Terms of Reference for a Corporate Establishment Review that had been requested at a previous meeting of this Committee. The Committee resolved to agree:
  1. The Terms of Reference for the Corporate Establishment Review
  2. Delegation of any expenditure to the Chair and Vice-Chair of the Corporate Policy & Resources Committee; and
  3. To secure through a procurement process additional HR capacity resource to accelerate the Corporate Establishment Review.
- 2.2 To secure additional Human Resources (HR) capacity and seek an independent analysis, SEE were selected in February 2023 to undertake the

review after obtaining details of other consultants in line with procurement guidance.

- 2.3 The TOR agreed by CPRC for the review were as follows:
- 1) Review the complete organisational structure and consider realignment of services under the senior management team.
  - 2) Consider current vacant posts and impact on relevant service areas if vacant posts were to be removed from the establishment list.
  - 3) Review use of all temporary staff including interims and consultants.
  - 4) Review rate of recruitment and retention.
  - 5) Consider any recommendations from staff audits and Peer Reviews.
  - 6) Consider scope for creating shared services with local authorities.
  - 7) Consider scope for making staff efficiency savings by automating services and progressing digital transformation.
  - 8) Consider feedback from member and staff surveys regarding capacity issues.
- 2.4 SEE were asked to complete the work between February and June 2023. The Council has ensured that all material necessary for the review has been supplied to SEE for analysis as they requested/required. SEE, as part of the review requirements, have evaluated and benchmarked Spelthorne's salaries and structures with comparable authorities in the southeast.
- 2.5 An update on the review was provided to CPRC via an e-mail from the Chief Executive in April 2023. Attached to this note was a contextual report providing a summary of the journey to date in terms of staff changes since a major restructure in 2015/16. There has been a continuum of staff restructuring since then to maximise efficiency and effectiveness along with transformational activities undertaken over recent years in terms of service delivery (see **Appendix A**).
- 2.6 The Establishment Review has now been completed by SEE and the full report can be found at **Appendix B**. Key points from the conclusions of the report are summarised below in line with the TOR.
- 2.7 Under the first TOR, to *'Review the complete organisational structure and consider realignment of services under the senior management team-*, SEE conclude that having reviewed the 2015 structure and ongoing revisions through to the 2023 structure, it is clear that the Council structure is not static, there is on-going review and realignment. SEE found no areas that would benefit from further re-alignment within the senior management structure that are not already being reviewed, or where changes are currently underway. SEE state in the report that SBC is not an organisation that shows complacency in its structure, nor in its focus on achieving the stated priorities in the Corporate Plan.
- 2.8 Under the second TOR, *'Consider current vacant posts and impact on relevant service areas if vacant posts were to be removed from the establishment list'*, SEE state that SBC demonstrates management control over vacancy administration, that options are being considered, with a focus on achieving efficiencies not only in cost but in the management of resources. Reviews are on-going as evidenced in the responses to the loss of contracts

(from SCC taking work back), or the creative use of agency or interim staff to meet defined needs. A recent review has been undertaken of the Market Supplement Policy and is on-going for the Retention Allowance Policy.

- 2.9 The third TOR covered *A review of the use of all temporary staff including interims and consultants*. It is apparent that SBC is experiencing difficulties in recruitment and retention in some areas, (Section 5 of SEE's report expands on this and is linked to some of the findings of the Corporate Peer Challenge). Therefore, this necessitates short term, or interim, cover to help manage the vacancies and maintain service delivery in accordance with the Corporate Plan.
- 2.10 Under the fourth TOR, '*Review rate of recruitment and retention*', SEE conclude that SBC's response to Covid provided evidence of its adaptability and a high level of resilience in how the Council was able to deploy staff at short notice, transition to remote working and continue to deliver services.
- 2.11 Under the fifth TOR, '*Consider any recommendations from staff audits and Peer Reviews*', information used came from the recent Corporate Peer Challenge Review and staff surveys which recognised the tensions between officers and Councillors. It is recognised that post-election, with 22 new Councillors, there is an opportunity to build new positive working relationships and time this to re-set with an Action Plan following the Peer Challenge.
- 2.12 Under the sixth TOR, '*Consider scope for creating shared services with local authorities*', SEE conclude that currently, shared services are being undertaken, or discussions are underway to develop options. From SEE's experience of working with Councillors and chief officers in seeking to create shared services, a key ingredient required for success is the trust and close working between Officers and Councillors, and between the officers and Councillors across the potential partners.
- 2.13 Under the seventh TOR, '*Consider scope for making staff efficiency savings by automating services and progressing digital transformation*', SEE evaluated the material available on our digital transformation journey and conclude that SBC is cited, with a case study, in this national research as one such Council being at the forefront (2012/14) of technological innovation in how customers were provided with access to services, news, transactional tasks and updates. In 2020 the Council received an iESE bronze award for its transformation programme. SEE, consider that the innovation and forward thinking the Council shows continues today.
- 2.14 Under the eighth TOR. '*Consider feedback from member and staff surveys regarding capacity issues*', SEE conclude that the findings of the staff survey indicate a high level of trust in their senior managers in creating a safe environment to thrive and a sense of being 'one council'. Of concern were the criticisms raised by Councillors while performing their role regarding their experience of 'personal attacks and aggressive behaviour across the chamber, disrespect, and hostility between the political parties'.
- 2.15 Overall SEE conclude that the Council is:-
  - Constantly reviewing, refining and innovating to meet the objectives of the Corporate Plan,

- Achieve cost efficiencies and generate income to invest back into communities to improve lives of residents and businesses.
- Staff have a sense of collective purpose and have trust in their senior managers.
- Pay and opportunities for career progression, are impacting on the on-going viability of some services, reflected by recruitment and retention difficulties in particular professions or operatives.
- SBC is consistently in the lower quartile of pay across Surrey, exacerbated by its proximity to London. Nationally, public services have already seen cuts, particularly at the local level, morale has been hit with several years of relatively low pay increases.
- SBC staff have indicated that other (non-monetary) aspects of a culture and work environment that values and motivates them to be high performing is important. Successful and insightful leaders and managers are aware that workforce morale and goodwill is essential for achieving productivity.
- Hybrid working has also assisted in retaining staff.

2.16 SEE also state that unfortunately, goodwill, trust and motivation of some Councillors and some staff, is ebbing for reasons that are documented in the LGA Corporate Peer Challenge. Relationships between staff and some Councillors has been dysfunctional and damaging in terms of workforce wellbeing, productivity, reputation, and potential opportunities to achieve further synergies through broader collaborative working. There is now an opportunity for the Council to build on the recommendations provided by the Peer Challenge and 're-set' the roles, responsibilities and working relationships between Councillors and senior managers, refine communications and generate a more joined up approach to delivering services to the communities of the borough building on the significant strengths and opportunities identified.

2.17 The above is a summary of conclusions from the establishment review and more details are provided in the SEE report (**Appendix B**).

### **3. Options analysis and proposal**

- 3.1 Option 1 Recommended that the Committee notes the report and its contents.
- 3.2 Option 2 Not to accept the report.

### **4. Financial implications**

- 4.1 The review cost £10k and if further actions are considered there may be a future financial cost.

### **5. Risk considerations**

- 5.1 At the outset of the work Internal Audit were consulted to ensure any risks could be mitigated. If the Council does not maintain morale and motivation of its workforce there is a risk that it will become even harder to recruit and retain staff. Therefore this issue is recorded on the corporate risk register.

### **6. Procurement considerations**

6.1 Procurement guidelines under Contract Standing Orders were followed in appointing SEE.

**7. Legal considerations**

7.1 SEE have a contractual arrangement with us for the work they undertake to ensure we are covered for data sharing and GDPR.

**8. Other considerations**

8.1 None

**9. Equality and Diversity**

9.1 In recruitment, retention and throughout the employment lifecycle, considerations of equality and diversity are always included in the process.

**10. Sustainability/Climate Change Implications**

10.1 By continuing to pursue hybrid working policies and thus reduced travelling we are reducing the Council's carbon footprint and also assisting staff in maintaining their well-being through a better work-life balance.

**11. Timetable for implementation**

11.1 N/A.

**12. Contact**

12.1 Daniel Mouawad [DCM.CEX@spelthorne.gov.uk](mailto:DCM.CEX@spelthorne.gov.uk); Sandy Muirhead [s.muirhead@spelthorne.gov.uk](mailto:s.muirhead@spelthorne.gov.uk).

**Background papers:, There are none.**

**Appendices:**

**Appendix A Contextual report**

**Appendix B Corporate Establishment Review**