

REPORT TO: Cabinet

6 March 2019

LEAD MEMBER: Leader of the Council

LEAD OFFICER: Mike Hill, Interim Chief Executive

**South Cambridgeshire District Council
– an organisation for a sustainable future**

Purpose

1. To provide Cabinet with an update on the progress of the organisational review undertaken by Castlerigg. To outline the next phase including, briefings for councillors and staff and feedback to partners and other stakeholders. This report will also consider the activity and resources required to take forward the findings and recommendations outlined within the consultant's report into a programme plan for implementation.
2. This is not a key decision.

Recommendations

3. It is recommended that Cabinet:
 - a) Note the progress of the organisational review to date;
 - b) Agree the proposed approach to communicating the findings and recommendations of the consultant's report;
 - c) Approve a budget of £40,000 to enable the organisational review to progress to the next phase of developing a programme plan;
 - d) Approve the Leader as Programme Sponsor;
 - e) To delegate further decisions relating to the next phase to the Leader, in consultation with the Cabinet, Chief Executive and S151 Officer.

Background

4. The Council faces an exciting but testing future – it is operating in an environment with reducing resources and rising customer expectations. Cabinet met to consider how to best meet these challenges on 26 July 2018 and approved an initial budget of £50,000 to commission an independent assessment of the organisation using external consultants. The specification for the work was to undertake a full organisational review including the presentation of a report to Cabinet which would include findings, a full options appraisal and recommendations.
5. A procurement process, in accordance with the Council's policies, was undertaken during August 2018 and following assessment and interview Castlerigg were appointed in October 2018.

6. The Castlerigg team, led by Lorna Holroyd and James Blacklock, commenced this first phase. This entailed collating a wide range of data from across the organisation including structures, financial information, policies and service delivery information as well as holding interviews with Cabinet members, senior management, staff and external partners. The Castlerigg team has engaged with Cabinet members and Executive Management Team (EMT) throughout this information gathering process.
7. The agreed output from Phase 1 is the production of a comprehensive report setting out the findings following the data collection exercise. Castlerigg will present the report to the Leader on 28 February 2019. The report will set out a number of options with supporting analysis and, an options appraisal with recommendations.

Communication to staff, Members and stakeholders

8. To ensure a wide understanding and ownership of the process, a programme of communications will be developed to keep all interested parties informed. This will include briefings, with Cabinet and Castlerigg, for all Councillors. The report findings and recommendations will be shared with all Councillors and staff.
9. It is proposed that the Leader, supported by the Executive Management Team, will hold briefings for staff throughout the next phase.
10. The Trade Unions are recognised for the purposes of consultation and negotiation and so they will be invited to meet with the Leader and discuss the outcomes from the Castlerigg review.

Phase 2

11. Cabinet are keen to ensure that the Council moves forward to the next phase of the organisational review in a timely manner. This next phase will comprise of the development of a programme plan and identification of resources required to implement the programme and defined work streams. It is proposed that the current supplier, Castlerigg is best placed to take this work forward to avoid duplication.
12. Phase 2 will focus on the top 3 tiers of the council's structure. This will comprise of:
 - Recruitment of Chief Executive and tier 2 posts.
 - Recruitment to tier 3
13. There will also be a need to agree key roles:
 - Programme Sponsor
 - Senior Responsible Owner
 - Programme Manager
 - Change Manager

14. It is recommended that the Programme Sponsor role is held by the Leader and that the Senior Responsible Owner is the Chief Executive. Programme Manager and Change Manager role profiles and skills sets are to be defined. Recruitment to these roles will follow usual Council procedures and appointment to these roles will be agreed by the Leader and Chief Executive.
15. As part of the Budget Setting Report, adopted by Council on 21 February, delegated authority was given to the Leader in consultation with the Chief Executive to use the funds in the Business Efficiency Reserve to fund the costs of this organisational review.
16. Staff engagement and consultation and change management will be carried out in accordance with the Council's Organisational Change Policy and Procedure which was approved by Cabinet in February 2019.
17. The Employment Committee will be engaged in the process of recruitment to senior roles including Tiers 1 & 2 and statutory roles, as required by the Council's constitution.

Considerations

18. Whilst we have met our priorities and objectives over recent years through our skilled and innovative workforce, we are well aware of the challenges facing the Council and we need to ensure that the Council is well placed to deliver our ambitious business plan and be recognised as a sought-after employer. This is against a backdrop of reducing resources and the need to save a further £3 million over the next 5 years due to reductions in central Government grants and funding.

Options

19. Cabinet can approve the budget of £40,000 and instruct Castlerigg to commence the work and by doing so agree to progress to phase 2 of the organisational review.
20. Cabinet does not approve the additional budget in which case there will be insufficient funds to progress this piece of work and phase 2 of the organisational change.

Implications

21. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change and any other key issues, the following implications have been considered: -

Financial

22. This report requests approval for a budget of £40,000. This will be drawn down from the Business Efficiency Reserve.
23. Changes to the Council's officer structure will be undertaken in accordance with the Organisational Change Policy. Following consultation, there is the potential for senior managers and officers to be put at risk of redundancy. There may be costs associated with any redundancy including a redundancy payment and pension scheme strain costs. Potential costs will be calculated once there is greater clarity on the number of posts effected.

Legal

24. The additional work can be accommodated within the existing supplier contract and without having to conduct a new competitive tender.
25. Legal requirements relating to employment law and Council policies and practices will be followed.

Staffing

26. There are staffing implications if the recommendations from this report are approved including the recruitment to new posts and redundancies.

Risk Management

27. To progress the organisational review will require the development of a programme plan and full appraisal of resourcing requirements to ensure that the programme is sufficiently resourced.

Equality and Diversity

28. None at this stage. We will carry out an Equality Impact Assessment on the changes.

Climate Change

29. None identified

Consultation responses

30. The Council formally recognises GMB and Unison for the purpose of consultation and negotiation. Consultation has not taken place to date however, the trade unions will be invited to meet with the Leader to discuss the findings and proposed next steps in Phase 2.

Background Papers

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

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