



SUPPLEMENTARY AGENDA

EMPLOYMENT COMMITTEE

WEDNESDAY, 9 MARCH 2022 AT 1.00 PM

COUNCIL CHAMBER - THE GUILDHALL

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Membership

Councillor Gerald Vernon-Jackson CBE (Chair)

Councillor Simon Boshier (Vice-Chair)

Councillor Cal Corkery

Councillor Lewis Gosling

Councillor Darren Sanders

Councillor Jeanette Smith

Standing Deputies: Councillor Ryan Brent, Councillor Ben Dowling, Councillor George Fielding
Councillor Suzy Horton, Councillor Gemma New and Councillor Scott Payter-Harris

(NB This supplementary agenda should be retained for future reference with the main agenda and minutes of this meeting).

8 Senior Management Structure - Regeneration (Pages 3 - 12)

The purpose of this report is to advise the Employment Committee of the intention to review the structure of the Regeneration Directorate in the light of the resignation of two Assistant Directors (Assistant Director for Transport and the Assistant Director for Strategic Development), and the peer review of the Transport function.

Recommendation

It is recommended that:

- (i) Members agree to a review of the senior management structure in the Regeneration Directorate and, in such a review, give consideration to the creation of a new post of Director of Transport; and**

- (ii) On conclusion of the review a report is brought back to the Employment Committee for members to give due consideration to any recommendations arising; and such report to include recommendations on the relevant policies, procedures and processes relevant and necessary to progress the Committee's preferred option.**



Title of meeting:	Employment Committee
Date of meeting:	9 March 2022
Subject:	Senior Management Structure - Regeneration
Report by:	Chief Executive
Wards affected:	N/A
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1 To advise the Employment Committee of the intention to review the structure of the Regeneration Directorate in the light of the resignation of two Assistant Directors (Assistant Director for Transport and the Assistant Director for Strategic Development), and the peer review of the Transport function.
- 1.2 To note the Leaders expressed desire of the Administration to consider the option of the creation of a new post of Director of Transport as part of the reconfiguration of the services contained within the Regeneration Directorate.
- 1.3 Such a change to the senior management structure of the council falls within the purview of the Employment Committee and will need to follow the council's options and process to meet the Administration's intention to secure £100,000 p.a. net savings from the senior management of the Council.

2 Recommendations

It is recommended that:

- Members agree to a review of the senior management structure in the Regeneration Directorate and, in such a review, give consideration to the creation of a new post of Director of Transport.
- On conclusion of the review a report is brought back to the Employment Committee for members to give due consideration to any recommendations arising; and such report to include recommendations on the relevant policies, procedures and processes relevant and necessary to progress the Committee's preferred option.

3 Background

3.1 Members should note that the Regeneration Directorate was established in 2017, to bring "Place" services into a single directorate. It noted that there had been some success with this disparate approach in previous years but the report states:-

"However, it is felt that in order to drive the continued development and delivery of the council's regeneration agenda, a dedicated chief officer post is required. It is envisaged that this post will bring together the following activities and functions:

- *Planning*
- *Skills and Business Support*
- *Transport*
- *Infrastructure including flood and coastal defence*
- *Investment Property Portfolio including lease renewal*
- *Delivery of major regeneration schemes and projects*
- *Economic Development and Inward investment*

The focus of the role will be to lead regeneration schemes from instigation to delivery and promote economic growth within the city, co-ordinating activities within the council and working with members and external partners to bring schemes to fruition. It is envisaged that the post-holder will have a strong professional background in a relevant discipline, such as strategic planning, commercial property development or engineering, and have direct experience of delivering major regeneration schemes."

3.2 Members are aware that two assistant directors within the Regeneration Directorate have recently resigned and accepted other posts outside the council. Interim arrangements have been put in place but this seems a reasonable point to consider if the aspiration of the Regeneration Directorate is being met or if alternative structures are required to improve the outcomes for the city.

3.3 This gives the council the opportunity to reflect on its senior management structure across Regeneration. In particular, the Administration is keen to explore whether a 'stand alone' directorate for Transport would better serve the council's needs and aspirations.

3.4 The Regeneration Directorate currently encompasses the following service areas (see appendix A for organogram and further breakdown of services):

- Infrastructure
- Transport
- Strategic Developments (currently relocated within the Property & Investment Team)
- Property & Investment
- Planning & Economic Growth
- Business Support

- 3.5 Currently in line with the constitution, the political portfolios don't match the Directorate structures across the Council, leaving departments like Transport delivering outcomes in 3 main portfolios, Traffic & Transportation, Climate Change & Green Recovery and Health, Wellbeing & Social Care.
- 3.6 The PFI Team that manages the Highways PFI sits as an outlier with the Director of Finance and Resources (S151 Officer) and it has long been mooted that closer links to the Transport Team could reap some benefits.
- 3.7 The span of control is wide, particularly in a highly congested and contested environment where planning and transport issues are extremely complex because of competing demands, major environmental and economic constraints and are also at the forefront of many of the council's priorities, including climate change, air quality, economic development and job creation, housing need, accessibility, improving public health and tackling disadvantage. Within this, the transport issues faced by the city are especially complex, given the desire to improve accessibility, including busy ports, whilst reducing the adverse effects of some modes of travel and benefits of others, and at the same time improving the competitiveness of the city for business and connectivity within the city and between the city and London and other parts of the south. When the theory meets the practice - on the roads and pavements of the city - these challenges become a reality.
- 3.8 The council and the Regeneration Directorate has been hugely successful in developing plans and policies to address these challenges, and in competing for grant to help deliver them with over £100m for Transport and Clean Air projects, c£250m for Coastal Defences, c£20m of Levelling up, £6.9m of Future High Street Grant and £1.6m of Community Renewal Grant secured over the last 4 years. The strength of these bids and a part of the reason for the Council's success in bringing in nearly £380m in the last 4 years has been the collaboration at a senior officer level to support each other's bids and the creation of joined up narrative, the most recent example of this being the work, extended on a Solent wide basis, to create a Solent narrative to support the Levelling Up and Freeport bids (a further £4.5m expected to be announced for the Port and Dunsbury Park in April 2022).
- 3.9 However, in such a congested city, the implementation of the policies is always contentious, and this is reflected through the political system. Too often, what seems to be an agreed way forward in a plan or bid for funds, (rightly) faces significant scrutiny and objection when translated into works on the ground; it is often only at this point, despite consultation in the lead-in, that the reality of the proposed changes is fully grasped. The City Centre North Regeneration project is a good case study of where the policy and the practice seem to clash for members.
- 3.10 It is the view of the Administration that some of these implementation challenges might be better addressed with a fully dedicated Director of Transport, with a more narrowly focussed remit, releasing the current Director of Regeneration to focus on the remaining, wide, remit of the existing Directorate.

3.11 To inform this debate a review is being conducted, including an independent peer challenge of the Transport function in the City which has been asked to address the objectives set out in Appendix B.

4 Considerations and Options

4.1 Under the Council's Constitution, the senior management structure lies in the jurisdiction of the Employment Committee, not the Chief Executive nor the Cabinet. It will therefore be necessary for the Employment Committee to agree any change to the senior management structure. Once the review has been undertaken, Members will need to consider their preferred option and a consultation with affected staff may need to be conducted. It is worth noting that members will be determining the structure and the form of a significant part of the organisation, not the selection of individuals to fill the roles.

4.2 In addition to these considerations, before making decisions about the structure, Members will note that:

- The council has operated a number of senior management models in the past, including a stand-alone highways and transport service; in addition to perceived cost savings at the time, a part of the rationale for the creation of the current configuration was to try to avoid 'silos', particularly between the council's environmental planning and transport functions.
- The officer configuration is only a part of the whole - the relationship to the political structure and environment is equally important to the development of policy and its implementation 'on the ground'.
- 'Senior' management (ie at Director level) is only part of the management structure of the organisation and shouldn't be looked at in isolation and the capacity below that is important.
- Integration of services is important in improving service design and delivery and in saving money.
- Sufficient senior management capacity is necessary to deliver priority strategies, drive change and respond to likely changes in legislation and policy.

5 Process

5.1 On completion of the review, Members will need to decide the approach that best meets the needs and circumstances of the Council over the next few years. A report will be brought back to the Committee recommending options. Depending on the course of action chosen by the Committee, consultation with staff and the unions may be required.

- 5.2 In the event that the course of action chosen by the Committee potentially puts existing posts 'at risk', the Council has a statutory obligation to meaningfully consult unions and employees to provide every opportunity to mitigate the impact on those affected and ensure a fair procedure.
- 5.3 In accordance with the Council's Workforce Organisational Change policy, the unions and those staff directly affected will be advised, at the earliest opportunity, of any posts at risk under the proposals being considered.
- 5.4 At the end of the consultation period, the Committee will be required to consider any representations received during the consultation period, prior to endorsing or modifying the proposed senior management structure.

6. Equality impact assessment

- 6.1 An Equalities Impact Assessment is not required at this stage as the report concerns the completion of a review of organisational structure. The review itself will entail an equality impact assessment of each of the resulting recommendations.

7 Legal implications

- 7.1 The proposal to conduct a review does not give rise to any legal implications. Any recommendations arising from a review will need to be implemented in line with council policies relating to organisational change.

8 Director of Finance's comments

- 8.1 There is a nominal cost of £17,000 to undertake the peer review of the Transport Function which has been budgeted for. The peer review objectives set out in Appendix B articulate a need for the review to focus on efficiency, effectiveness and value for money of the function and its funding arrangements. The review will need to include a full financial appraisal of each option presented and identify how each option would be funded in line with the council's processes to meet the Administration's intention to secure £100,000 p.a. net savings from the senior management of the council.

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Signed by: David Williams, Chief Executive

Appendices:

- Appendix A - Regeneration Senior Management Team Organogram 2021
Appendix B - Peer Review Objectives - February 2022

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

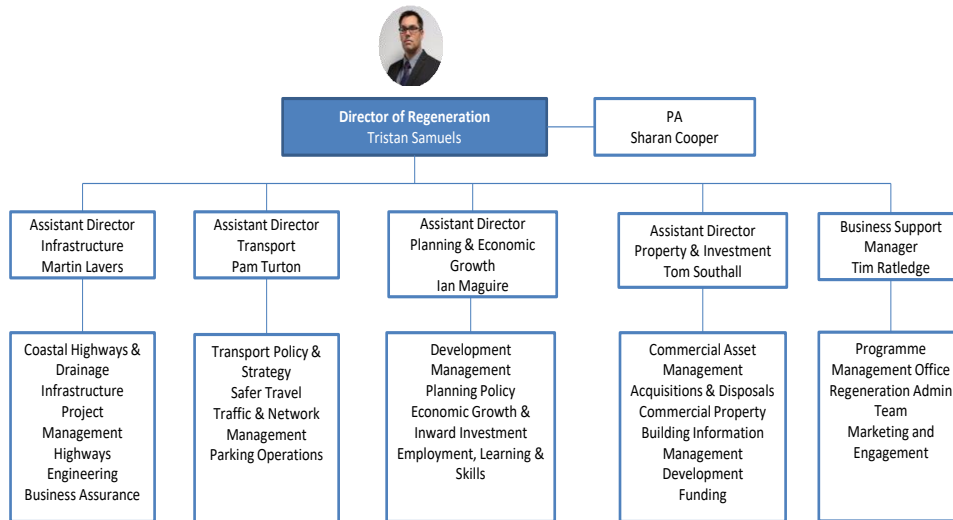
Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:

Appendix A

Regeneration Directorate Structure



Transport Peer Review Objectives

1. Provide an external view on the relationships between elected members and the three service areas (Transport, Infrastructure and PFI), noting how successes and failures have been reported whilst pointing the service towards practical ideas for improvement.
2. Identify what works well and what does not from a key stakeholder perspective. Identify any patterns and themes from this to support improvements to the service.
3. Examine the alignment between the Administration's and residents expressed priorities and the adopted local and national policy framework.
4. Assess the appropriateness of the existing metrics for assessing the effectiveness of the service (both locally and comparatively), with a specific focus on value for money (revenue and capital). Advise how members and officers can work together to establish a multi-year funding package to improve value for money, considering the likely revenue and capital funding requirements.
5. Advise whether the team's focus on winning capital funding to deliver major projects is driving delivery capacity away from meeting local policies and Member priorities.
6. Assess the effectiveness of the service in communicating and delivering the Administration's vision to stakeholders, including staff, public, contractors, elected members and partners (i.e. Solent Transport, TfSE, DfT, Defra/EA and JAQU) and advise how the Highway Authority can improve its practices for engagement including on the relationship between the wider strategic narrative and practical changes being proposed for the city and managing expectations. What does good look like?
7. Advise how members and officers can work together better to deliver effective decision making, community advocacy and leadership, allowing the teams to focus activity on the Administration's priorities and vision.
8. Assess the readiness of the Council for the end of PFI contract in March 2030 and any additional actions that may need to be taken.

9. Review the current operating models of each of the three service areas, considering how best the highway authority can carry out its functions across the political and technical domains and advise on any structural changes that would be worthy of consideration to improve outcomes and behaviours. Could a simpler and more streamlined structure improve efficiencies and outcomes that support the policy objectives?

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