

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Employment in Hampshire County Council
Date:	November 2014
Title:	Management Capacity – Report on Progress
Reference:	6220
Report From:	Chief Executive

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1. Executive Summary

- 1.1 At the last meeting of EHCC the committee considered and approved adjustments to the Corporate Services function and the addition of new roles and responsibilities to help build capacity for the cost reduction, efficiency and transformation programmes of the County Council.
- 1.2 In addition, the committee noted and approved additional capacity for Adult Social Care to build activity and the relevant projects and programmes of work recognising the Better Care Fund and the need to provide leadership to the integration of Health and Social Care in the coming years. Two senior posts were added to the Adult Social Care management team.
- 1.3 This report updates the Committee on further changes proposed in the Economy, Transport and Environment (ETE) department and more generally the issues around management capacity for the Transformation to 2017 programme. All of the proposals can be contained within the current reduced cash limits and would be interim arrangements only for specified periods of time. Any permanent arrangements will be subject to Member approval and for the relevant interview panels to be established.

2. Management Capacity

- 2.1 The Cabinet at its meeting on 27 October 2014 approved the detailed programme of work to reduce the cash limit spending of the Council by a further £100 million by 31 March 2017. This will take the cumulative savings programme to £340 million since 2008.
- 2.2 Members will be aware that in 2010 and 2012 there were significant reductions in senior management capacity to meet the then financial cash reductions. It is anticipated that further reductions in management capacity

may need to be made to meet the very challenging target of another £100 million reduction by 2017.

2.3 At the same time as we have been reducing management costs, it has been necessary on a relatively small number of occasions to make interim arrangements to provide capacity to support change programmes, project management activity, efficiency, and to build momentum to maintain departments within the cash limit reductions. While this is stretching, not least because there remain few if any easy reductions that can be translated into the savings programme, it does provide staff with significant experience and opportunity to be working in such programmes across the County Council and increasingly with partners.

2.4 It is proposed to make two interim changes in ETE.

- The first to create a new interim Assistant Director post associated with transportation related matters, recognising the very significant growth in this activity from LEP funded projects to the benefit of Hampshire.
- The second, as the Director has no recognised formal Deputy it is proposed that one of the Assistant Directors occupy that role, providing support to the Director but also allowing a stronger focus on the redefinition and commissioning of the next highway maintenance contract. These would both be interim arrangements up to 31 March 2017.

2.5 In addition, it is obvious that as departments work through their proposals for the next tranche of savings, additional capacity and work will be involved in the following:

- Identifying service reductions and transformational opportunities;
- Further work to build efficiencies in external spend and external supply chains;
- Further capacity to develop and harness digital technologies to a greater extent than hitherto in the transformation and cost reduction of services;
- Developing further options for internal shared services to reduce administrative and managerial cost; and
- Providing momentum and capacity so that departments can a) meet their cash limit reductions b) organise their transformation projects and c) build further capacity for change beyond 2017.

2.6 The County Council will be assisted in the next transformation to 2017 programme by Deloitte as our Private Sector Partner. Deloitte have proved hugely effective when they are applied to major change and cost reduction activity, given their relative cost. In many cases it does not make sense to use this capacity where detailed departmental knowledge is required or internal coordination of activities can be delivered at a lower cost than the use of external consultant support. It makes sense therefore to continue to create capacity at the level of the departmental management teams to ensure that

this work can carry on. It is critical that the time we have for this work is used to maximum effect.

- 2.7 It will not be until the spring of next year, after a series of Opportunity Assessments across the departments, that the full extent of all this activity is known, although it can be predicted to require greater capacity and time than we have had hitherto. This is a simple recognition of the difficulty of making further reductions some seven years on from the start of the programme in 2008. It is therefore proposed that each Chief Officer may, with the approval of the Chief Executive, make additions to their departmental management capacity for one or a maximum of two additional posts at the level of Assistant Director to be developed from internal capacity. These posts would be on an interim basis, time limited, and would require to be in post up to but not beyond 31 March 2017 without formal Member approval.
- 2.8 For almost ten years we have now been making interim and other flexible arrangements to cope with the change programmes and cost reduction within the Council. This is a further step to harness existing internal capacity, create opportunities, but also recognise the scale of the task that lies ahead. It is anticipated that a report on management capacity and the implementation of these proposals would be made to every other meeting of EHCC in the coming months and years.

3. Recommendation

- 3.1 It is recommended that EHCC Committee note the proposed adjustments that are being made in departmental arrangements to provide further capacity to meet the Council's change programmes.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision to enable appropriate management capacity to be available to manage the Council's change programme.

Other Significant Links**Links to previous Member decisions:**

<u>Title</u>	<u>Reference</u>	<u>Date</u>
Corporate Services and Adult Social Care – future capacity planning and transformational opportunities	5953	9 July 2014

Direct links to specific legislation or Government Directives

<u>Title</u>	<u>Date</u>
None	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- 1.1.1 The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- 1.1.2 Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- 1.1.3 Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2 Equalities Impact Assessment:

Equality objectives are not considered to be adversely affected by proposals in this report.

2 Impact on Crime and Disorder:

2.1 Not applicable

3 Climate Change:

3.1 How does what is being proposed impact on our carbon footprint / energy consumption? Not applicable.

3.2 How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? Not applicable.