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## **Policy and Resources Committee**

Tuesday, 09 April 2019

The undernoted report has been added to the agenda for the meeting of **Policy and Resources Committee** at **09:30**, in terms of Section 50B (4)(b) of the Local Government (Access to Information) Act 1985 by reason of special circumstances on the Chair accepting the report as urgent business.

### **NOTE REFERRED TO:-**

- 6a Improvement and Modernisation Programme: 3 - 6**  
**Consultancy Support for Organisational Design and**  
**Management Structure Project**  
Report by the Corporate Director (Corporate Services)





**REPORT TO: POLICY AND RESOURCES COMMITTEE ON 9 APRIL 2019**

**SUBJECT: IMPROVEMENT AND MODERNISATION PROGRAMME:  
CONSULTANCY SUPPORT FOR ORGANISATIONAL DESIGN  
AND MANAGEMENT STRUCTURE PROJECT**

**BY: CORPORATE DIRECTOR (CORPORATE SERVICES)**

**1. REASON FOR REPORT**

- 1.1 Under the terms of the Council's Procurement Procedures to seek the Committee's approval for the use of consultancy services.
- 1.2 This report is submitted to Committee in terms of Section III (B) (5) to of the Council's Scheme of Administration relating to monitoring progress of projects in the approved Capital Plan, including any revisions to the price or phasing on a quarterly basis.

**2. REASON FOR URGENCY**

- 2.1 This report is submitted to Committee in terms of the Local Government (Access to Information) Act 1985, on the Chair certifying that, in his/her opinion it requires to be considered on the grounds of urgency in order to give early consideration to the progression of a key council project.

**3. RECOMMENDATION**

- 3.1 **It is recommended that the Committee approves the use of consultancy services to support the delivery of the Organisational Design and Management Structure project within the Council's Improvement and Modernisation Programme.**

**4. BACKGROUND**

- 4.1 At its meeting on 12 December 2018 the Council received an update on the progress on the development of the Improvement and Modernisation (I&M) programme of transformational work (Paragraph 5 of the Minute refers) which was previously reported to the Council on 26 September 2018 (paragraph 24 of the Minute refers). The council agreed the content of the programme, including a project an organisational design and management structure project. The Council also agreed to allocate funding for the I&M programme to be used flexibly to initiate and advance projects as requirements develop.

- 4.2 The purpose of the organisational design and management structure project as set out in previous Council papers is to ensure that the organisation is designed and structured to meet the challenges of the future as efficiently and effectively as possible and that it is flexible enough to adjust to meet future requirements.
- 4.3 During the course of 2018 the Chief Executive led some early work on the review of structures which exposed differing political views and highlighted a range of concerns from senior officers. As a result it was identified that external support would be useful for this project by adding valuable challenge and independent analysis of the circumstances and options. Therefore, an approach was made to the Improvement Service (IS) which led to the IS undertaking research on Council structures and holding a workshop with members on 19 December 2018 at which the outcome of the research was presented.
- 4.4 The IS were not in a position to undertake the specific review work required by the Council and so a specification for this work was advertised to providers on the IS Associates Framework in October/November 2018. Unfortunately, this did not produce any bids that were assessed as meeting the Council's requirements.
- 4.5 Further discussions were held with the IS which identified that some former Chief Executives of Councils would hold the relevant skill set and knowledge to be able to undertake the work. Therefore, using Solace networks a potential supplier was identified and has now submitted a bid in response to the Council's specification.
- 4.6 Under the terms of the Council's Financial Regulations (para 3.23), taking account of the circumstances including the failed attempt to secure advice competitively, the Head of Financial Services has authorised the use of a single provider without further competition.
- 4.7 However, under the Procurement Procedures (para 2.4) delegation to officers for the engagement of consultants is capped at £10k with consultancy of over that level requiring authorisation from the service committee. Therefore, Policy and Resources Committee is being asked for this authorisation to enable the organisational design and management structure review to proceed.
- 4.8 Subject to agreement of the recommendations in this report, the project will proceed with a view to a report being provided by the external adviser to the Chief Executive to enable reporting to the Council before the summer recess.

## **5. SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

This project forms part of the I&M Programme of work that supports the Council priority of a financially stable council.

### **(b) Policy and Legal**

The policy positions are as outlined in the body of the report.

**(c) Financial implications**

The council on 12 December 2018 agree to allocate £700k funding to be earmarked in reserves and used flexibly over a period of up to 2 years to initiate and advance projects in the I&M programme. This funding will be drawn upon to fund this project. Therefore, there is budget provision in place.

**(d) Risk Implications**

There will be risks associated with the outcome of the review work that will have to be taken into account by the council at that time.

At present there are a number of short term and temporary arrangements in place within the council's management structure. In order to deal with the financial and service challenges that the council faces in the immediate and medium term it is important that strong and stable management arrangements are in place. Without that clarity and security, there are risks to the sustainability of council services, the quality of service delivered and the financial stability of the council. This project aims to ensure that management resources are aligned to priorities and jobs are well designed to deliver those priorities. If the project is delayed it is likely to run beyond the summer and into the period when there will once again be a considerable focus on financial planning. The extent of this challenge will be significant and there will be heightened risk if the management resources to lead the work are not stabilised and appropriately tasked in early course.

If the committee is not minded to agree to the use of consultancy, consideration will have to be given to how the project could be progressed in another way. This would be likely to be through allocation of internal resources which would lose the benefits outlined above, draw from other work which would have to be re-prioritised and increase the time required for this project leading to the risks above.

**(e) Staffing Implications**

There are no direct staffing implications.

**(f) Property**

None.

**(g) Equalities/Socio Economic Impact**

There may be equalities issues to be considered in the course of the work but there are none arising directly from this report.

**(h) Consultations**

Advice was sought from the Head of Legal and Democratic Services and Head of Financial Services on the authority to engage consultancy services and this has been incorporated into this report.

**6. CONCLUSION**

- 6.1 The Council's Procurement procedures require consultancy of a value of over £10,000 to be authorised by the service committee. This request is being brought forward to enable the organisational design and management structure project within the I&M programme to be taken forward with the benefit of external expertise, skills, independence and challenge in order to strengthen the work.**

Author of Report: Denise Whitworth  
Background Papers: None  
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