

BARNESLEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

REPORT OF THE DIRECTOR OF HUMAN RESOURCES, PERFORMANCE & COMMUNICATIONS TO CABINET ON 16TH NOVEMBER 2016

Delegated Authority to Approve Sheffield City Region Restructure

1. PURPOSE OF REPORT

- 1.1 To provide Cabinet with an overview of the Sheffield City Region restructure and ask for the Director of Human Resources, Performance and Communications to be given one off delegated powers to approve the new structure.

2. RECOMMENDATIONS

- 2.1 That the position in respect of the Sheffield City Region restructure be noted and the Director of Human Resources, Performance and Communications be authorised to give final approval to the restructure.

3. INTRODUCTION

- 3.1 In February 2016 a CEX paper outlined the rationale for change in the structure of the SCR Executive Team and developed a number of operating principles underpinning the role and purpose of the SCR Executive.
- 3.2 The delivery of both the strategic ambition for a transformed economy and the operation of the growing programme require that the SCR CAP/LEP Executive Team evolves and structures itself to meet and respond to these challenges and opportunities, identifying opportunities for efficiencies and economies of scale in design and function.
- 3.3 This change in team structure and the associated investment has been designed so that it is proportionate to the growth in responsibilities and scale and scope of team activities and supports the principles agreed previously, which are addressed in turn below.
- 3.4 Strong leadership – The Governance review underway and the input of CEX into this has highlighted the essential requirement for strong corporate leadership and political nous at a senior level to manage and enable the Executive Boards, the LEP and the CA to succeed.

4. PROPOSAL AND JUSTIFICATION FOR RESTRUCTURE

4.1 **A separation of the functions of policy, operations and performance:**

The proposed new structure integrates core functions within a more sensible framework, to provide:

- A strong policy function within the SCR Executive to continue to innovate and bring forward the development of new investment propositions which support a strong Mayor, LEP and CA;
- A strong communications and public affairs function leading a growing programme of strong collaboration, particularly with the private sector.
- A strong operational delivery team, who turn innovative propositions into spend programmes, and focus on the delivery of programme outcomes and outputs, managing performance of partners to deliver the results the SEP demands;
- An independent and strong assurance and appraisal function, enabling SCR to maintain its credibility with government and provide the assurance of a sound decision making approach to an incoming Mayor.

4.2 **A more sensible business management approach**, resulting in a strong Corporate organisation which fulfils the statutory responsibilities of a Local Authority demonstrating strong strategic financial management and clear governance and integrating wider services efficiently and effectively.

4.3 **Addressing pan regional resource requirements**, providing the focus and momentum to secure SCR position within the Northern Powerhouse.

4.4 **Investing in programme sponsorship and delivery through Local Authorities -** Realising the aspirations of the SCR LEP / CA requires matching by delivery capacity in partner organisations be this Local Authorities, PTE or other partners. Alongside a restructured SCR Executive consideration has been given to the formation of an External Capital Programme Team; essential to support partners' capacity and to ensure the SCR programme is delivered.

4.5 A suggested model has been developed which moves from teams scoped around policy subject area to teams which cover four broad functional areas:

- Strategy and Corporate Affairs
- Operational Programme Delivery
- Independent Assurance, Appraisal and Performance Management
- Corporate Services

4.6 In addition to the four corporate functions detailed above there is also the existing delivery units of the Growth Hub Operation and the Inward Investment Delivery Team. It is proposed a third delivery team is added the External Capital Programmes Team.

4.7 The benefits of such a structure enable resources to be deployed most efficiently. The structure provide a stronger focus on excellence in delivery, maintains the credibility of the SCR through a strong independent appraisal function, supports the continuing aspiration of the SCR to drive thought leadership, negotiate devolution with government and finally raise the national and international profile of SCR through a strong corporate affairs and marketing function.

- 4.8 The work on the restructure is being undertaken in accordance with the BMBC management of change process. This process requires the following key steps to be taken:
- Revised structure agreed
 - All job profiles scoped and evaluated, commencing with the Directors and Heads of Service.
 - Consultation with staff – advising of the key stages including
 - (a) a job matching process,
 - (b) a recruitment process for unfilled positions and
 - (c) potential redundancies should skills sets not match
 - Matching, recruitment or redundancy process operational.

5. CONSIDERATION OF ALTERNATIVE APPROACHES

- 5.1 During the first year of growth deal funding SCR underperformed on delivery. There were a large number of strong mitigating reasons including purposeful delays as a result of the ABR and the lack of certainty re 16/17 funding delaying scheme development. However without a strong operational delivery function there is a real continuing risk of increased underperformance on delivery against programme.
- 5.2 The annual conversation with Government and the LEP, and the 5 year gainshare reviews has made it clear that future funding for SCR is based upon performance and delivery. With LGF funding trebling in scale and the addition of gainshare resource, proportionate growth in SCR delivery function is essential to ensure that SCR does not experience and loss in future funding.
- 5.3 SCR secured S31 grant, one of only three areas to do so, due to strong prioritisation, appraisal and modelling of benefits. Maintenance of a strong and independent approach to appraisal, modelling, assurance and performance management could lead to a loss of confidence in Government on our assurance and performance management capacity.
- 5.4 Through successive rounds of City Deals, Growth Deals and Devolution Deals SCR has been one of a few areas at the forefront of innovative development and negotiations.
- 5.5 Without the clearer focus on thought leadership through a more clearly defined strategy, corporate affairs and policy function there is a risk of reducing influence for next rounds of devolution and also on a pan regional basis given the growth in Northern Powerhouse momentum and Transport for the North financial strength.
- 5.6 Finally, the imperative to expedite this change in structure is essential to ensure that SCR is prepared for the new opportunities of a Mayoral CA.

6. FINANCIAL IMPLICATIONS

- 6.1 No financial implications for the Council

7. EMPLOYEE IMPLICATIONS

7.1 Sheffield City Region will follow the Managing Change Policy in dealing with employees affected by the restructure.

8. CONSULTATIONS

8.1 The SCR / Combined Authority Board have agreed these proposals.

9. PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

9.1 Sheffield City Region will take into account the Council's public Service equality duty in the processes associated with the restructure.

10. LIST OF APPENDICES

None

11. BACKGROUND PAPERS

None

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