

REPORT of CHIEF EXECUTIVE (HEAD OF PAID SERVICE)

to COUNCIL (EXTRAORDINARY) 7 AUGUST 2025

COUNCIL STRUCTURE REVIEW

1. PURPOSE OF THE REPORT

- 1.1 The Head of Paid Service (HOPS) is a Statutory Role whose obligations are set out in section 4 of the Local Government and Housing Act 1989. The HOPS is under a duty to report to the Council their proposals for the organisation structure, management and staff grades to ensure the Council can effectively deliver its services and functions. The role of HOPS at Maldon District Council is undertaken by the Chief Executive.
- 1.2 This report sets out the findings of the organisational review undertaken by the Chief Executive and supported by the Local Government Association (LGA). This report details proposals of a new structure that aligns with the Local Government Authority (LGA) Decision Making Approach (DMA) industry good practice. The proposals will ensure the organisation is fit for purpose going forward to deliver on the corporate priorities by simplifying the structure to improve efficiency and getting the organisation well placed for any Local Government Reorganisation (LGR) in future years.
- 1.3 Further details of the outcomes of this review will be provided as part of a private and confidential paper to the Council. This report allows the public sharing of the basis for the structural review of the Council.

2. **RECOMMENDATION**

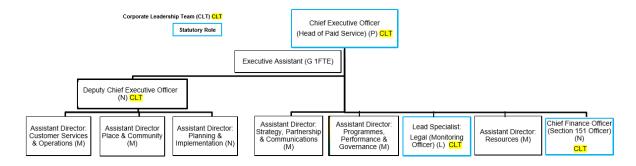
That Members receive the engagement and findings of the Chief Executive and Local Government Association's (LGA) Decision Making Approach (DMA) organisational review.

3. BACKGROUND: HISTORICAL CONTEXT – STAFFING STRUCTURE 2018 TO DATE

3.1 In 2018 the Council embarked a Whole Council Transformation 'Ignite Model 2018' that had digital by default at the heart of its approach with the expectation of delivering a prominent level of channel shift and self-service. It took apart the traditional functionally based service structures that are the most common delivery model and reallocated resources broadly split into specialists and caseworkers through separate functional and operational leadership. At this time, a Chief Executive role was removed from the Council's structure and in its place was put three Directors (Tier 1) and seven Managers (Tier 2).

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- 3.2 In 2023, the Council agreed to adapt the structure within the Service Delivery Directorate to realign some team responsibilities, removing the specialist and caseworker model. This was delivered within existing resources and managed as a 'lift and shift' to redefine roles within their specialisms and management accountability. This structural change redefined Manager (Tier 2) roles as Assistant Directors and added a further Assistant Director for Planning.
- 3.3 In 2023-24, a review by the East of England Local Government Association (EELGA), (now Local Government East (LGE)) requested by the Leader of the Council, was completed. This considered the Corporate Leadership Team i.e. the three Director model. A Council Working Group was formed, Corporate Leadership Review Working Group, and the Council confirmed a recommendation to remove the three Director model and instead re-introduce to the Council a Chief Executive.
- 3.4 In May 2024, a report of the Monitoring Officer to the Council identified findings of the Working Group including that further re-structures would be considered potentially necessary for both the Strategy, Policy and Governance directorate and Resources directorate. It was at that time set out that one of the aims of any future re-structure would be to remove the matrix line management model implemented as part of the 'Ignite' Model in 2018, similar to that implemented in the Service Delivery directorate structure.



- 3.5 Further to the appointment of the Chief Executive in October 2024, Members raised concerns over the effectiveness of the existing officer structure (which largely dates to the 'Ignite' review and revised structure of 2019, with some limited changes since). Members tasked the Chief Executive to continue with an organisational structure review.
- 3.6 The Chief Executive engaged the LGA for support in evaluating the Council's whole structure, in particular the use of their DMA approach described in detail elsewhere in this report. This approach has been successfully applied in over 400 organisations and focuses on optimising factors such as spans of control and layers or tiers of management.
- 3.7 As a result of the review by the LGA, which included extensive staff engagement, this report seeks to inform Members of the Chief Executive's proposed changes to the staffing structure including realignment of some team responsibilities.
- 3.8 The proposed structure provides a clear opportunity to simplify the leadership team structure of the Council. The Chief Executive currently has six direct reports, in addition to the Executive Assistant. The Deputy Chief Executive has three direct reports. The Corporate Leadership Team (CLT) is formed by the Chief Executive, Deputy Chief Executive and the two Statutory Roles, Monitoring Officer and Section 151 (S151) Officer. Adding further complexity to the leadership of the organisation is the CLT+ structure which additionally includes all six Assistant Directors.

- 3.9 The proposals in this report set out a range of measures designed to simplify and improve the overall structural efficiency of the Council and create a suitable basis from which to approach the LGR proposals scheduled to be implemented in 2028.
- 3.10 The changes are driven by a clear focus on delivery of priority work to benefit residents and open opportunities to deliver further value for money. A proposed restructure of the Council is the first such whole organisational change programme since the 2018 'Ignite' changes were implemented.
- 3.11 This review is now timely and necessary following on from the Tier 1 review and was identified as a need by Members through their Working Group during 2023 / 24.

4. THE LOCAL GOVERNMENT ASSOCIATION REVIEW

- 4.1 In response to the need for further structural changes identified by the Member Working Group during 2024, the Chief Executive engaged the LGA to undertake a review of the entire Council structure in January 2025. This review took place between 17 February 26 March 2025 with significant staff engagement. Ahead of the review CLT+ were engaged with a separate briefing ahead of all staff, as were Members.
- 4.2 The DMA approach is an Organisational Design tool used by the LGA, it is now used in numerous councils of all types to identify efficient and cost-effective organisational structures for the future. It is a robust, proven framework to help diagnose and design healthy management hierarchies.
- 4.3 The DMA determines the number of organisational levels based on decision-making accountability. The approach argues that only one layer of management is required for each DMA level. It looks at the number of layers / tiers an organisation has and what it needs in resource to deliver the aims and objectives of the organisation.
- 4.4 The DMA analysis begins at the Frontline (whether internally or externally facing these are the roles at the 'bottom' of the hierarchy that do the core work of the organisation). Each management tier in the hierarchy should add clear value to the Frontline, or to the layer of managers below it.
- 4.5 The review was undertaken using DMA. As a result, the DMA suggests that the Council should be a Level 4 organisation in line with other District Councils of comparable size and ideally, should have no more than five layers from the frontline to the Chief Executive post with a maximum of four levels of management / supervision.
- 4.6 The review was internally branded 'Have Your say' and all staff engagement was actively encouraged. Approximately 120 employees engaged with the LGA during the review, 58% of total staff. The DMA conversations took place across all the directorates and focussed on the areas which were found to be overlayered (excessive tiers), siloed or needing review.
- 4.7 Although some isolated progress has been made in addressing structural issues through a restructure in the Service Delivery directorate in December 2023, the DMA review identified further changes needed to empower roles with greater autonomy and decision-making authority at all levels within the organisation.
- 4.8 Employees engaged positively with the review, expressing the need for change in a sensitive manner. Their passion for the Council and its residents was evident, as they

- described the Council as a supportive, caring, committed, and passionate community.
- 4.9 The current structure of the Council is hindering organisational performance and was likened to 'a jigsaw puzzle which doesn't fit'. While employees have a strong desire for change, they are constrained by a hierarchical culture, lack of confidence, and insufficient transparency and fairness regarding role identities, commenting on job titles such as Specialist and Caseworker.
- 4.10 The Council's historical culture has led to individuals working on their own projects rather than collaborating as One Council, which is particularly noticeable at the CLT+ level. The Chief Executive is steering the Council in a new direction, away from its fragmented, siloed approach and adopting greater engagement with staff and Councillors which is seen as 'a huge positive', and there are emerging signs of improvement and 'green shoots'.
- 4.11 As a result of the LGA review a proposed structure has been developed which is fit for now and the immediate future and most suited to the needs of Maldon, the proposed structure builds resilience, streamlines efficient working and seeks to accommodate the challenges of LGR coming forward.

5. FINANCIAL IMPLICATIONS

- 5.1 It should be noted that the primary purpose of the review is to support improved effectiveness of the Council, however the proposed structure does result in an estimated reduction in cost of the senior officers of the organisation. Proposals have been reviewed by the S151 Officer, and a proposed structure is based on securing the greatest improvements in the least time, with due consideration of the risks of change.
- 5.2 The financial implications of the proposed restructure fall in three areas. These are:
 - ongoing revenue budget implications affecting the base budgets for staffing
 - one-off costs arising from the staffing changes
 - one-off costs of independent external advice to support the process of the review and planning for the implementation of the decisions agreed by Members
- 5.3 Ongoing revenue budget implications are expected to lead to a reduction in overall costs, which will be advantageous in future years through a reduction in known Medium Term Financial Strategy (MTFS) pressures.
- 5.4 Any severance costs would be one-off payments and can be funded through earmarked reserves, likely to be the transformation reserve. These should be considered as supporting overall improvements in efficiency within officer structures and the decision support processes of the Council.
- 5.5 One off cost of additional capacity, advice and support. This is essential to provide resource capacity to deliver the transformation in a timely and sensitive way benefitting both the organisation and the staff affected and will be funded using the transformation reserve.

5.6 Costs have been estimated based on likely costs assuming full implementation of all proposals in the time frames suggested. Actual take up may change based on staff responses and the timing of implementation.

6. NEXT STEPS

- 6.1 This implementation programme will be known as "Transforming Together". This title has been chosen to signify the way this programme of work is being delivered. It is being done with staff, rather than to them, and there will be significant opportunities for staff input at every stage. The changes will be delivered in line with the Council's Organisational Change and Redundancy Policy & Procedure and include consultation with affected staff.
- 6.2 The Target Operating Model (TOM) defines how the Council should be structured and operate. It provides a clear roadmap for how different parts of the Council should work together to achieve its objectives. It promotes collaboration, streamlining processes, and ensuring budgets and resources are optimised.
- 6.3 The Council's TOM will be structured based on the 'Have Your Say' findings and developed in two phases.

7. CONCLUSION

7.1 This report provides the background to this review and on completion of the implementation programme the new structure will be made publicly available.

8. IMPACT ON PRIORITIES AS SET OUT IN THE CORPORATE PLAN 2025 - 2028

8.1 Supporting our Communities

8.1.1 Efficient structures with staff clear on roles and accountabilities to support our communities and partner organisations.

8.2 **Delivering good quality services**

8.2.1 The report gives the Council the basis to develop a new TOM for the authority which will ensure its structure, processes and staff are able to deliver for the residents of Maldon in the coming years, readying itself for LGR.

9. IMPLICATIONS

(i) <u>Impact on Customers</u> – Following the conclusion of this matter customers will be able to more easily identify the role of officers and direct their enquiries to the appropriate person. There is an identified risk of potential disruption during the period of consultation and transition period after the conclusion. This risk will be mitigated by ensuring individual changes to roles, including any exits, are considered collectively to ensure any distribution is carefully managed where possible. A clear engagement and communications plan with the use of Local Government East Associates is also in place.

- (ii) <u>Impact on Equalities</u> An Equality Impact Assessment has been carried out and the impact of the proposal is neutral.
- (iii) Impact on Risk (including Fraud implications) Risk of impact on service delivery during period of transition and bedding down new structure.
 Mitigations through external independent support, and internal capacity and management.
- (iv) <u>Impact on Resources (financial)</u> There are no financial implications in relation to this report. However, there will be financial implications in relation to the implementation of this proposal. These will be set out in a further private and confidential report.
- (v) <u>Impact on Resources (human)</u> The consequences of this report will have a significant impact on some staff at the Council. Staff will be offered support in line with change policies, Union, where a member, and 24/7 free and confidential support from the Council's Employee Assistance Programme support.
- (vi) Impact on Devolution / Local Government Reorganisation Undertaking this work will ensure that Maldon Council has a clear comparable structure which will clearly define the roles of all staff. This will ensure that staff roles can be clearly identified when considering local government reorganisation.

Background Papers: None.

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