

**Item No:**

**By:** Roger Gough, Leader of the Council  
**To:** County Council  
**Date:** 26 May 2022  
**Subject:** Chief Executive Officer Operating Model

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**SUMMARY:** This report proposes the introduction of a Chief Executive Officer model for the senior management structure at Kent County Council. The paper outlines the reason for and details of changes to the top tier structure and individual roles necessitated by the reintroduction of the Chief Executive Officer (CEO) role and management model.

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**Recommendations:**

County Council is asked to:

1. AGREE the recommendation from Personnel Committee to introduce a Chief Executive Officer post and operating model.
2. APPROVE the job description for the Chief Executive Officer as set out in Appendix 1. This includes the statutory responsibilities of Head of Paid Service.
3. NOTE that David Cockburn will transition into the Chief Executive Officer role with effect from 1 July 2022, having determined the necessary support infrastructure to enable the requirements of the revised CEO role and model to be delivered.
4. AGREE changes to two other posts in the top tier structure as outlined in section 3 of this report and shown at Appendix 2.
5. AGREE the job descriptions for the roles of Deputy Chief Executive Officer and Director of Human Resources and Organisation Development shown at Appendices 3 and 4.
6. AGREE the proposed changes to the Constitution shown at Appendix 5.
7. NOTE that the introduction of the new operating model will be cost neutral.

## **1. Background**

- 1.1 On 15 December 2011, the County Council agreed to delete the post of Managing Director (the renamed equivalent of the Chief Executive Officer role) from the top tier structure in place at that time.
- 1.2 This decision was taken in the context of the challenges facing the Authority a decade ago and the key strategic objectives at that time. While many of these remain relevant today, the operating and political environment has changed significantly over that decade, and it is now necessary to adapt to those changes and provide strong community leadership as we deliver our forward-looking strategic ambitions for the county.
- 1.3 Despite these changes, the model previously adopted of having the Head of Paid Service role vested in the Corporate Director with responsibility for the corporate and strategic services has, with some timely amendments when required, worked very effectively through the period of change and increased financial restrictions. This is a credit to the Head of Paid Service and the other top tier Officers who have worked in an increasingly collaborative way to provide strong and effective corporate leadership to the organisation.
- 1.4 The need to position Kent and KCC differently through the recovery stages of the Covid-19 pandemic and provide a better model where the most senior officer has a clear and unambiguous leadership role for the officer cadre and no conflict of interest which comes from being a Corporate Director for one specific Directorate makes this the right time to revert to the Chief Executive Officer (CEO) model. A CEO role will be better placed to ensure strong alignment of the thinking and capacity as we develop the strategic objectives, budget approach, and business planning to deliver our ambitions in a continually challenging operating environment.
- 1.5 One of the reasons for removing the Managing Director post in 2011 was to reduce the number of senior managers in order to contribute to budget savings required at the time. It is clear that the need for financial restraint in this regard remains as strong as ever and it should be noted that all the changes being proposed for the top tier operating model will be broadly cost neutral overall. The proposals being considered in this paper do not increase the total number of senior managers (Corporate Directors, Directors and Heads of Service) across the Authority.

## **2. Proposal to move to a Chief Executive Officer model**

- 2.1 At the core of this proposal is the need to create a clear framework for the senior County Council Officer to lead the organisation as a single entity

rather than a grouping of different service directorates. The foreword of Framing Kent's Future notes "*change will be a pre-requisite if the council is going to successfully deliver for Kent*". Part of that change must be to strengthen a "One Council" leadership approach with our senior managers.

- 2.2 The introduction of the CEO role is a critical component of the revised operating model proposed in this paper. The new senior management will lead to a wider programme of change to enable the organisation to operate in a still more productive and unified manner. Planning for how the underpinning philosophy of a one council approach will be embedded is underway and the required transformation will be delivered through a range of measures put in place by the Chief Executive Officer. This County Council meeting on 26 May 2022 is debating the new Strategic Statement that lays out the priorities for this Administration. The document sets those ambitions out clearly but also acknowledges and describes the stark reality of the context in which Local Authorities are working at this time. It is essential that Kent County Council has an operating model that can meet these challenges and work through them to deliver the priorities for Kent.
- 2.3 The Leader of the Council has been reflecting with his Cabinet on how these current and future challenges, both internal and external, are best met. It is essential to reintroduce a CEO role, adapting the current arrangements and emphasis so Officers deliver the political priorities in a joined-up way as a single organisation. The proposals are not driven by a desire or a perceived need to undertake major organisation restructure. The proposal comes from a recognition that enhancement to the corporate heart of the organisation is likely to have significant positive impact on the way Members and officers work together, and therefore on the organisation's delivery as a whole, as they cope with what will inevitably be a continuing, challenging and very intense period of change in the next several years.
- 2.4 The move to a CEO model will provide further assurance to the Leader, Cabinet and all Members on a number of key challenges and perceived areas for improvement:
- Pace of change – it is essential that Kent County Council has an officer structure that enables it to respond in a timely and agile way to a wide range of demands and expectations. This requires a clear and co-ordinated governance and managerial response, best achieved through a top leadership role which has the capacity to deliver and focus on a whole organisation approach.
  - The budget process is complex and the fact that the current Head of Paid Service has responsibility for the outcomes for a specific Directorate inevitably fetters his ability to take an impartial, whole organisation

approach. The removal of this tension is seen as one of the key advantages of this change in organisational model.

- A gap in organisational capacity in relation to strong, strategic thinkers is now apparent after a prolonged period of cuts to resources in these types of roles. This needs to be urgently addressed in a coherent and cohesive manner.
- The overall capacity of senior Officers (and Officers generally) has been stretched for a considerable period. The benefits arising from the rigour of a CEO structure and approach will help ensure relative priorities across the organisation are clear and that duplication of effort and any lack of clarity, or avoidance of clear governance procedures and processes is avoided.
- Providing increased assurance to Members around compliance with governance whilst ensuring that all of the appropriate advice and support to inform decision making has been included.
- The move to the CEO model will enable a reset of the way Members work with and through senior officers to achieve their policy objectives.

2.5 This is a good moment to make this change. There is an intrinsic link between this proposal and the development of the Administration's new Strategic Plan; County Deals; and the Strategic Reset Programme (which will be adapted as required by the Strategic Statement). Organisational structures and ways of working must evolve and adapt to keep pace with the realities of an ever-changing environment. There is also a recognition that the current arrangements are not sustainable in the long term and that a change of model is required to meet the expectations of Cabinet and Members more generally – the only way to meet our challenges and deliver our ambitions is through a whole organisation leadership model. These proposals recognise both that the current arrangements have delivered a decade of success, and that change, including as a direct result of the pandemic, has never been more rapid or so impactful on every aspect of the how the Authority delivers for the people of Kent.

2.6 Other important and relevant context for the proposal includes:

- The relentless pressure on Local Authority budgets which is unlikely to see any improvement over the next several years.
- Positioning Kent as a key influencer both within the County and with key stakeholders. This requires clear prioritising and excellent service delivery.
- The realities of ongoing Covid recovery including, but not restricted to: helping to rebuild Kent's economy; increased demand for services; financial restrictions; relationship with Health partners; recruitment challenges; and changing expectations of employers and employees. All

these increasingly require a whole organisation response and approach rather than reliance on excellence in any particular part or service of the Council.

- Specific recent events have suggested that there is room for improvement in performance management and some specific project delivery. Although the Authority continues to perform strongly across its key performance indicators, it is important to review our overall operating infrastructure in the light of some recent concerns and difficulties, to ensure lessons are learnt.
- The current operating environment and experience in other Councils and as reported through our Annual Governance Statement raises further the importance of central leadership to ensure consistent application of and compliance with the laws and governance that empower and bind the Council

- 2.7 Removing the requirement for the most senior officer to represent a Directorate as well as provide an Authority-wide view would clarify the role and promote the importance of KCC as a single organisation. It is intended that it will also enable the budget process to operate differently in the way the balanced budget is arrived at for consideration at the annual meeting of the full County Council.
- 2.8 The CEO role, which must have the right supporting infrastructure, will provide significant additional time for the HoPS as CEO to review key activity across the whole Authority and provide a conduit for the Leader and other senior Members to channel significant enquiries or concerns. It is not suggested that a CEO would or should interfere with the service Corporate Directors' professional decisions, but the additional capacity to challenge data, governance and political and partner engagement should minimise the concerns that have led to this review of corporate capacity and oversight.
- 2.9 The community leadership role for the County Council in the face of Kent's recovery from the pandemic; response to the government suggestions for devolution and governance reform; increasing financial challenges and customer expectations results in increased demands on the Leader of the Council and the Cabinet and other senior Members across all parties. Repositioning the most senior Officer role to ensure the capacity for looking across all aspects of the council is enhanced and is a vital part of the response to those challenges.
- 2.10 This change would be welcomed by senior officers as it would provide the opportunity to discuss concerns and issues with a CEO whose sole role is to decide the best way forward for the Authority as a whole.

- 2.11 The proposal has been benchmarked against the arrangements in place at other County Councils and it is seen that nearly all have a CEO in place.
- 2.12 In relation to the learning from other large organisations, public and private, about how to maximise the effectiveness of the CEO, it is clear that the change to a CEO model requires the establishment of a Chief Executive's Office. This will be a critical organisation resource providing information on organisation performance, standards and metrics; producing key policies on whole organisation matters; ensuring regulatory compliance; providing strategic advice to Cabinet and the CEO and CMT; managing strategic partnerships; and owning the organisation's data strategy. The Director of Strategy, Policy, Relationships and Corporate Assurance will have a pivotal role to play in this, as will the two corporate Statutory Officers.
- 2.13 The revised model will also include a Deputy CEO, who will have responsibility for Infrastructure; Technology; Human Resources and Organisation Development; Marketing; Internal and External Communications and engagement; Resident Experience; and Health and Safety. The postholder will also be the Senior Responsible Officer for the Strategic Reset Programme. The job description for this role is shown at Appendix 3.

### **3. Populating the CEO model structure**

- 3.1 The top tier structure of the Authority is determined by the County Council as set out in the Constitution in paragraph 7(i). The Personnel Committee plays an important role which in this context includes:
- (i) Recommending changes to the top tier structure to the County Council
  - (ii) appointing Senior Managers and determining their terms and conditions (including subsequent pay movement).
- 3.2 The revised job description for the CEO role, removing the responsibility of Corporate Director Strategic and Corporate Services, is attached at Appendix 1. The description is now solely about leadership of the organisation as a whole. It is proposed that the David Cockburn will continue as part of his revised remit as CEO to hold the statutory responsibility of Head of Paid Service as defined in legislation and the Constitution.
- 3.3 There will be no impact on any of the responsibilities or report lines of any of the other Statutory Officer roles.
- 3.4 The move to the CEO model requires a change in the corporate infrastructure with the introduction of a Chief Executive's Office. The detail of this will be developed by the Head of Paid Service during the transition period.

- 3.7 The revised top tier structure chart is shown at Appendix 2.
- 3.8 The new structure being debated in this proposal sees direct impact on two additional existing top tier and senior manager roles.
- 3.9 It is essential that the right supporting infrastructure is in place to ensure that the CEO has the capacity to review key activity across the whole Authority and provide a conduit for the Leader and other senior Members to channel significant enquiries or concerns.
- 3.10 The revised model will therefore include a Deputy CEO who will take on some of the responsibilities previously undertaken by the Corporate Director, Strategic and Corporate Services. It is proposed that the Deputy CEO role will be formed by extending the responsibilities of the current Corporate Director People and Communications to include in addition responsibility for the Infrastructure and Technology Divisions.
- 3.11 The Deputy CEO will provide leadership on a range of important transformation activity across the Council and will act as the Senior Responsible Officer for the Strategic Reset Programme. The Deputy CEO and the functions reporting into the role will provide an important corporate engine to deliver strategic activity and change. The role will also provide oversight and corporate control in relation to property infrastructure, ICT, people, marketing, resident experience and communications.
- 3.12 The report line changes for the Director Infrastructure and the Director Technology have no consequential impacts on their roles.
- 3.13 As the existing responsibilities of the Corporate Director People and Communications are encompassed in the new Deputy CEO role, that Corporate Director post is deleted from the top tier structure.
- 3.14 As a result of this post being deleted, and a key change required to provide capacity for the Deputy CEO to enable the duties of that new post to be delivered, additional responsibilities will be required in relation to senior management in Human Resources and Organisation Design.
- 3.15 It is proposed to introduce a new post of Director of Human Resources and Organisation Development which will, among other enhanced responsibilities, take on the accountabilities of Head of Profession in this area, accountability that currently sits with the Corporate Director People and Communications. The current Head of Service HR/OD post is deleted from the structure.

- 3.16 As noted in paragraph 3.1, Personnel Committee has had an important role in discussing the detail and the impact on individuals of these proposals. At its meeting on 30 March, Personnel Committee considered the introduction of the CEO model and, in a separate paper, the specific recommendation around the introduction of the Deputy CEO role. The Personnel Committee meeting on 13 May considered the role of Director of HR/OD.
- 3.17 The Personnel Committee unanimously supported the move to the CEO model and the proposed changes to David Cockburn's role. It was also unanimous in recommending to County Council the introduction of the Deputy Chief Executive and Director of HR/OD posts. The Personnel Committee on 13 May agreed to add a recommendation that: "The Committee notes & endorses the commitment to ensure the overall process of establishing the Chief Executive Officer (CEO) management model will be cost neutral."
- 3.18 In line with their Terms of Reference the Personnel Committee considered the appointment of officers to the two new posts of Deputy Chief Executive and Director of HR/OD.

#### **4 Changes to the Constitution**

- 4.1 At its meeting on 30 March, the Personnel Committee agreed the following recommendation:

INSTRUCT the Monitoring Officer to advise on and propose changes to the Constitution to give effect to any changes agreed by this and any subsequent papers at this meeting and for these to be reported to the County Council.

- 4.2 The Monitoring Officer's proposed changes are shown at Appendix 5. The document shows the tracked changes for ease of reference. These changes are largely consequential upon the formal adoption of a CEO operating model. Further work is underway in relation to other provision in the Constitution and these will be reported to the County Council for approval in the coming months.

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