



## Employment and Appointments Committee

<b>Date:</b>	<b>Monday, 18 December 2017</b>
<b>Time:</b>	<b>3.30 pm</b>
<b>Venue:</b>	<b>Committee Room 1 - Wallasey Town Hall</b>

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### AGENDA

#### 1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members are asked to consider whether they have any disclosable pecuniary and / or any other relevant interest in connection with any of the items on this agenda and, if so, to declare it and state the nature of the interest.

#### 2. EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC

The public may be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information.

RECOMMENDED –

That in accordance with section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by paragraph 1 of Part 1 of Schedule 12A to that Act. The public interest test has been applied and favours exclusion.

#### 3. SENIOR MANAGEMENT RESOURCES (Pages 1 - 12)

Exempt by virtue of paragraph 1 as the information relates to an individual or individuals.

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## Employment and Appointments Committee

18 December 2017

<b>REPORT TITLE</b>	<b>SENIOR MANAGEMENT RESOURCES</b>
<b>REPORT OF</b>	<b>THE CHIEF EXECUTIVE</b>

### 1.0 REPORT SUMMARY

- 1.1 The Council's operating environment continues to change with a range of internal and external drivers influencing the way we will deliver our services in the future.
- 1.2 Work to develop the Wirral Growth Company, the continued integration of our services with health and a range of transformation and modernisation programmes are well underway exploring the best models of delivery for services for residents of Wirral.
- 1.3 At the same time the financial challenges for the Council remain significant and we need to ensure that resources are managed efficiently at senior level and opportunities to reduce senior management costs are explored.
- 1.4 This report seeks Employment and Appointment Committee's approval to delete the post of Managing Director Delivery Services. This will form the first part of further planned savings of approximately £750k from senior managers over the next 12 months which are in the proposed budget for 2018/19.
- 1.5 The report also updates the Committee on recruitment to the vacant Assistant Director: Law and Governance post (Monitoring Officer) and proposes an additional salary option for that post.
- 1.6 The number and type of the roles required at management level are continually under review and must constantly evolve to reflect the changing organisation and external environment.
- 1.7 This report contains personal information about an individual and therefore is an exempt by virtue of paragraph(s) 1 of Part 1 of Schedule 12A of the Local Government Act 1972. The public interest test has been applied and it favours the exemption being applied.

## **2.0 RECOMMENDATIONS**

The Employment and Appointments Committee is requested:

- 2.1 To approve the deletion of the post of Managing Director Delivery Services and the subsequent severance and release of pension for the post holder by 31 March 2018.
- 2.2 To approve a revised Chief Officer structure of the Council, (subject to any further proposals arising from 2.4 below).
- 2.3 To note the proposal to make approximately 750k savings at senior management level. (Post deletions and re-structures below Chief Officer do not require approval by Employment and Appointments Committee).
- 2.4 To authorise the Chief Executive to develop further proposals for the Chief Officer structure of the Council, consulting with Chief Officers as required and bring a report back to this committee.
- 2.5 To approve the revised remuneration for the Assistant Director: Law and Governance post and this post to redesignated as Director and to delegate to the Appointments Panel the ability to offer the Market Rate supplement of up to 5% of the salary if required .
- 2.6 Consider lifting the exemption relating to this report and publish relevant information including financial implications and costs of pension release in relation to 2.1 in the minutes of the meeting.

## **SUPPORTING INFORMATION**

### **3.0 REASONS FOR RECOMMENDATIONS**

3.1 The revised Chief Officer structure is proposed by the Chief Executive for the following reasons:

- In response to the evolving nature of the operating model and changes to the way the Council delivers services
- The opportunity to delete the post of Managing Director Delivery services with a saving £158k per annum (including on-costs)
- To ensure the Council is competitive in the recruitment process for the vacant Assistant Director : Law and Governance post

### **4.0 OTHER OPTIONS CONSIDERED**

4.1 This option is the most appropriate given the changing nature of services.

### **5.0 BACKGROUND INFORMATION**

5.1 The Council's current structure is set out at Appendix One.

#### **Managing Director Delivery Services**

5.2 There is a significant amount of work being undertaken to reform and modernise services and identify the most appropriate models of delivery for services. This year has seen the creation of the Safer Wirral Hub in partnership with the police, integration of older people services with the NHS. Work is continuing at pace on the Wirral Growth Company, the Access Wirral project, Integrated Commissioning Hub and the integration of disability services with the NHS from April 2018.

5.3 In the past management structures may have remained in place unchanged for a number of years; the reality now is given that the pace and nature of change the number and types of roles required at management level need to be continually under review to ensure that we have the resources to meet the requirements of the organisation.

5.4 During the past 12-18 months a number of new roles have been created or become vacant and then filled. This includes Assistant Director: Commissioning and Director of Corporate Resources and Reform. There is a new Director of Finance, Director for Children and we are recruiting to Assistant Director: Investment and Assistant Director: Law of Governance.

5.5 This has changed the profile at Senior Leadership level. The programme of work set out above will have an impact on the role of Managing Director Delivery Services. The Job role also included the responsibility for delivery of Children's services which was moved under the Chief Executive in 2016. Merseyside Pension Fund will move from Delivery under Director of Finance from 1 January 2018 (as set out in Employment and Appointments Committee report dated 27 June 2017).

- 5.6 Therefore there is not a long-term requirement for this post at this level and there is an opportunity to bring a saving forward by re-organising responsibilities at Director level at this time.
- 5.7 It is therefore proposed the post of Managing Director Delivery Services is deleted and that the Assistant Chief Executive will assume line management responsibility of Delivery Services as required for an interim period. (See Appendix Two). This is linked to 5.14 below.
- 5.8 There is a cost to the Council which is set out in Appendix Three.
- 5.9 Under the terms of the Local Government Pension Scheme, the individual is entitled to unreduced access to Local Government Pension Scheme and the Council has to meet the costs of that.

### **Senior Management resources**

- 5.10 It is proposed that the Council will make savings of around 750k from a reduction in senior managers over the next 12 months. (Senior Managers are those earning 40k and above).
- 5.11 There are already a number of volunteers at that level. Some can be released in the near future and some further work will need to be undertaken to explore whether other managers can be released and the impact of that on service delivery. The approximate costs and savings are also set out in Appendix Three
- 5.12 Any decisions about posts below Chief Officer level is a matter for the Chief Executive as Head of Paid Service. However, the Chief Executive will continue to review capacity required at Chief Officer level to deliver plans and priorities in future in the context of the reform and modernisation programme.
- 5.13 In particular, the creation of the Wirral Growth Company means the Council must ensure that those services that will work closely with the company are appropriately resourced and have sufficient skills and leadership capacity to make this successful.
- 5.14 It is proposed that the Chief Executive will develop further proposals for the Chief Officer structure of the Council, consulting with Chief Officers as required and bring a report back to this committee in due course.

### **Assistant Director Law and Governance**

- 5.15 In June 2017, Employment and Appointments Committee agreed to proceed with recruitment of Assistant Director Law and Governance. This is currently an Assistant Director/Director 2 post with a salary range (£79,259 – £92,854)
- 5.16 The Council advertised this post in August 2017 but did not appoint at this time.
- 5.17 As set out in the 27 June 2017 report this remains a competitive market across the Country. This is a statutory post and a critical role within the Senior Leadership Team.

5.18 It is therefore proposed to re-advertise at Director 2 level with a market supplement of up to 5% for the right candidate (83,568—92,854(+5%))

## **6.0 FINANCIAL IMPLICATIONS**

6.1 Appendix three sets out the costs associated with deletion of posts and severance pension costs to be included in 2018/19 budget.

6.2 Payments such as redundancy will be funded from the Transformation Programme allocation in the Council's Capital Programme. The Council's Flexible Use of Capital Receipts Strategy 2017/18 includes provision for the costs of organisational change. This allows the costs to be charged to capital under government rules where a reduction in future revenue costs results. This applies to the Senior Management Restructure as a savings are due to occur in 2017/18 and 2018/19 through its implementation.

6.3 The potential increase in cost of the salary for Director Law and Governance post if a proposed £4,600 market supplement is applied.

## **7.0 LEGAL IMPLICATIONS**

7.1 The Council will ensure that any restructuring is undertaken in accordance with relevant policies and meets its obligations under employment law.

## **8.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

8.1 The savings and costs are set out above report and appendices.

## **9.0 RELEVANT RISKS**

9.1 None identified.

## **10.0 ENGAGEMENT/CONSULTATION**

10.1 There has been no requirement for formal consultation at this stage. There has been engagement with Chief Officers potentially affected by the changes to reporting lines and re-organisation of functions. Trade Unions have been made aware of proposals.

## **11.0 EQUALITY IMPLICATIONS**

11.1 The council will comply with all applicable Equality Act 2010 obligations.

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## APPENDICES

<b>Appendix</b>	<b>Title</b>
One	Current Chief Officer Structure
Two	Proposed Chief Officer Structure
There	Severance and Early Retirement Costs

## REFERENCE MATERIAL

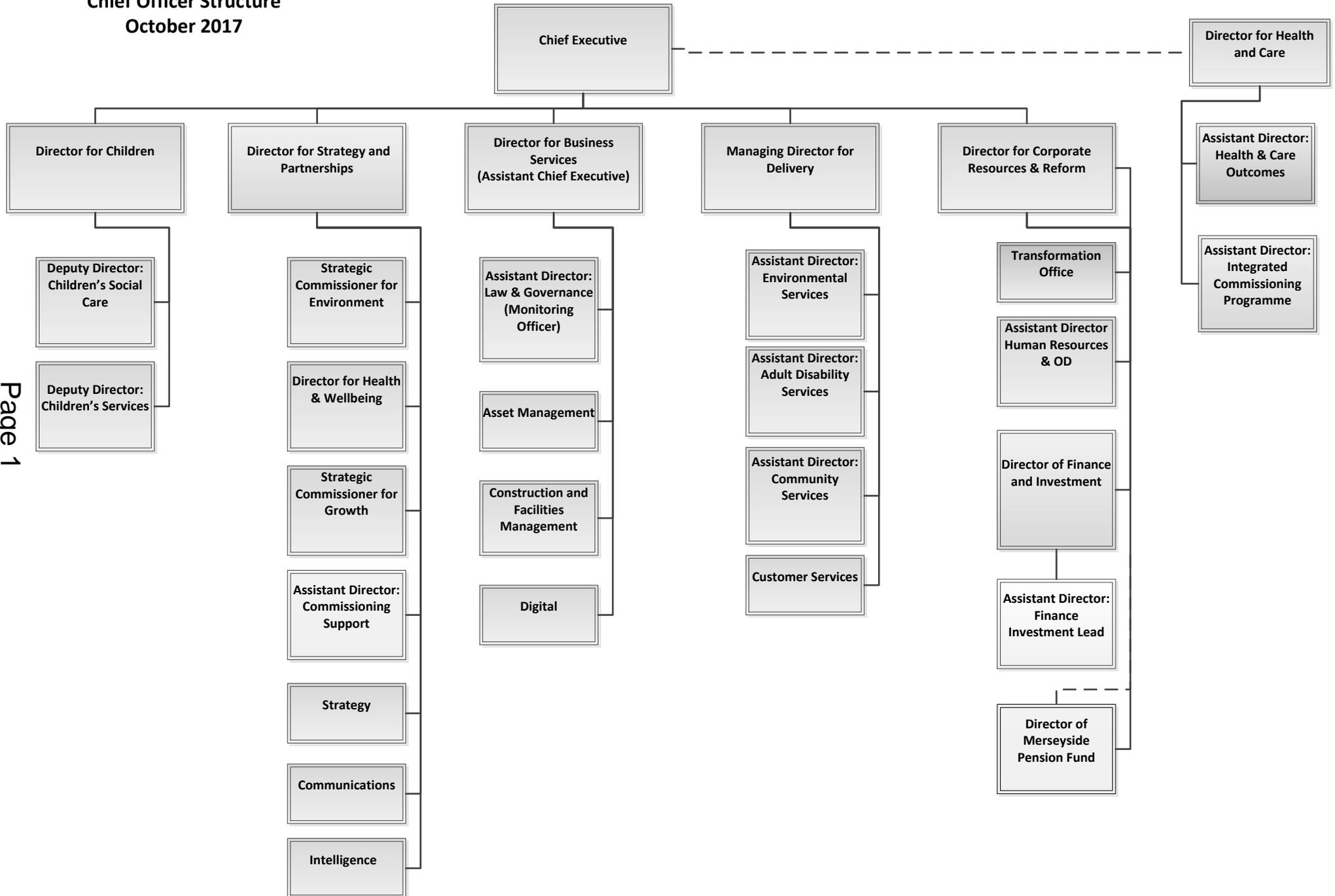
N/A

## SUBJECT HISTORY (last 3 years)

<b>Council Meeting</b>	<b>Date</b>
Employment & Appointments Committee	25 July 2016
Employment & Appointments Committee	11 October 2016
Employment & Appointments Committee	27 June 2017

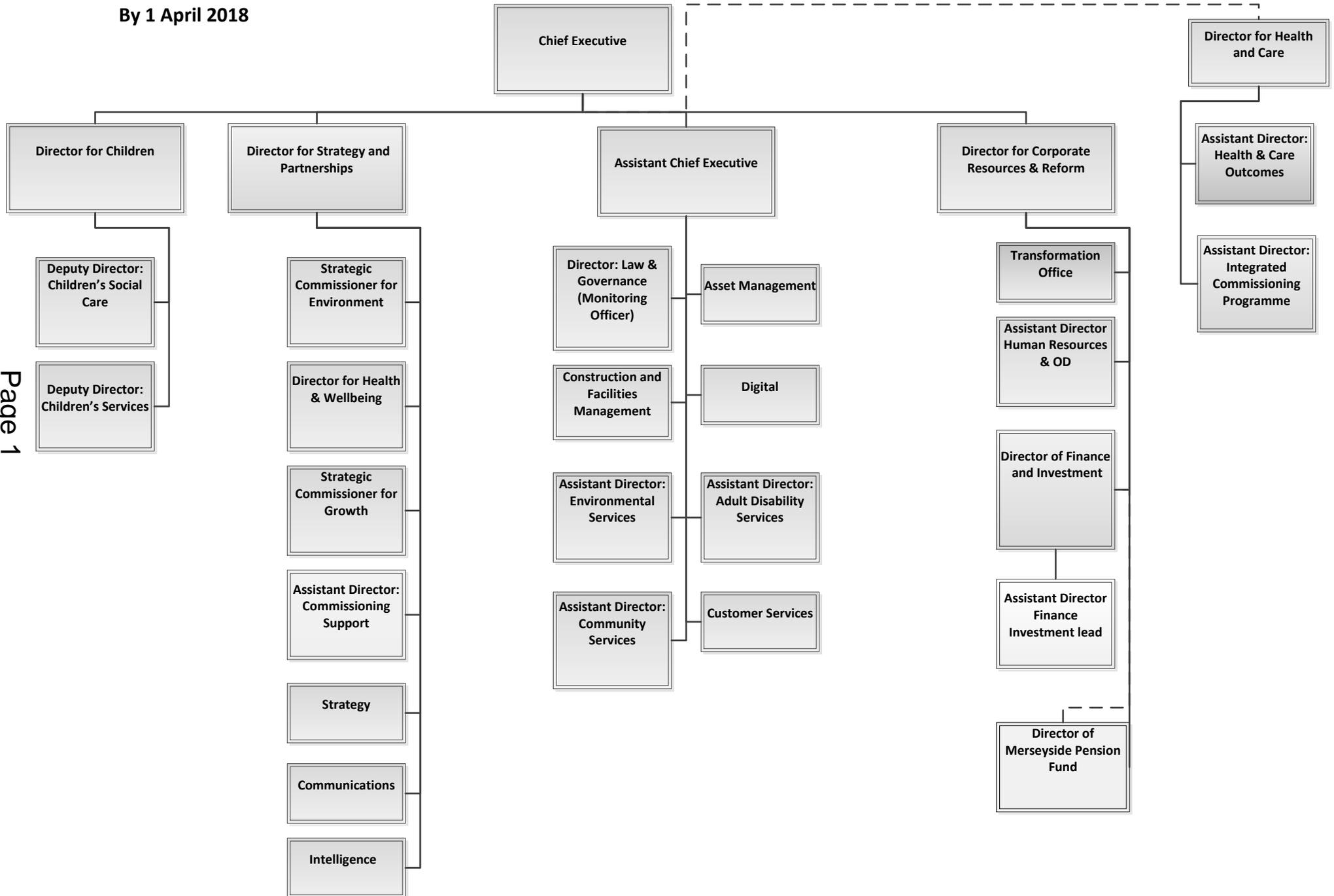
**Current  
Chief Officer Structure  
October 2017**

**Appendix 1**



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**Proposed  
Chief Officer Structure  
By 1 April 2018**



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## APPENDIX THREE

### a) Senior Management Proposals (inc Managing Director Delivery)

	<b>Approximate costs Pension and Severance</b>	<b>Approximate Salary Savings</b>	<b>Overall saving</b>
Year 1	£1,400,000	£750,000	£-650,000
Year 2	0	£750,000	£750,000
Year 3	0	£750,000	£750,000
<b>Total</b>	<b>£1,400,000</b>	<b>£2,250,000</b>	<b>£850,000</b>

*\*The average recovery of costs is 21 months*

*\*\* There is the option for the Council to pay pension costs over a 5 year period. There is an additional cost associated with this of approximately 25% on costs. This will be assessed by Director of Finance in each case.*

### b) Managing Director Delivery Services

#### Summary of costs

	<b>Costs</b>
Severance	£93,412.60
Employer cost*	£296,763.43
Total	£390,176.03
Annual Saving	£158,300.82
Recovery period	29.53 months

*\*Pension release figures provided by Merseyside Pension Fund 20-11-2017*

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