

WIRRAL COUNCIL

CABINET

20 DECEMBER 2012

SUBJECT:	SENIOR MANAGEMENT RESTRUCTURE
WARDS AFFECTED:	ALL
REPORT OF:	GRAHAM BURGESS CHIEF EXECUTIVE
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR PHIL DAVIES
KEY DECISION?	YES

1. EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to bring forward a detailed proposal in relation to the Council's senior management restructure, following the Cabinet and Employment and Appointments Committee reports of 18 September 2012. The proposal includes details of financial savings, attached at Appendix Two.
- 1.2. This report proposes to reduce the senior management structure of the Council from 30 full time equivalent (FTE) posts, to 19 FTE posts, (excluding the three Strategic Director posts).

2. BACKGROUND AND KEY ISSUES

- 2.1. It was agreed by Cabinet on 18 September 2012 (minute 83) that:

“The Chief Executive provides a further report in relation to the further senior management restructure, including details of financial savings.”

- 2.2. The Council and local government in general face unprecedented financial challenges as a result of cuts in funding and increased demand on services. The Council has to make savings of around £103 million over the next three years.
- 2.3. In order to manage these challenges, the Council requires strong leadership so that the priorities within the Corporate Plan can be delivered. In addition the Council must make savings from senior management to support as far as possible the protection of front line services
- 2.4. The proposed senior management structure, attached at Appendix Two has been put forward to enable the Council to meet the challenges it faces, including improvements to its strategic leadership and significant financial savings.

3. CURRENT MANAGEMENT ARRANGEMENTS

3.1. The current senior management structure, as approved by Cabinet and the Employment and Appointments Committee on 18 September 2012, is attached at Appendix One.

4. PROPOSED CHANGES TO SENIOR MANAGEMENT STRUCTURE

4.1. The proposed senior management structure is attached at Appendix Two.

5. PRINCIPLES

5.1. The following principles have been applied to the proposed senior management structure and will apply to the further management restructures to ensure a consistent approach:

- i. Management tiers:
That there is a maximum of three management layers between Head of Service and front-line employees, as follows:
 - a. Senior manager: to report to a Head of Service
 - b. Manager: to report to a senior manager
 - c. Team leader: to report to a manager
- ii. That no other management titles are used, other than those as stated in point i) above, and that no management duties are undertaken by employees below PO level (to be confirmed at stage three).
- iii. That 'Deputy' posts do not exist within the reporting structures.
- iv. That one to one reporting arrangements do not exist within the structure.
- v. That there are no pay increases.

6. AREAS OF RESPONSIBILITY

6.1. Families and Wellbeing

The Families and Wellbeing programme area will include the Department of Adult Social Services and the Children and Young People's Department. The following Chief Officer/Head of Service posts are proposed:

Post Title	Key Areas of Responsibility (list is not exhaustive)
Strategic Director: Families and Wellbeing	As agreed by Cabinet and the Employment and Appointments Committee on 18 September 2012 And <ul style="list-style-type: none">• Sport and recreation
Director of Adult Social Services	Remains largely unchanged: <ul style="list-style-type: none">• Effective delivery and improvement of all Adult Services• Adult Service Transformation and improvement

	<ul style="list-style-type: none"> • Integrated working • Safeguarding • Social care in the wider context
Head of Transformation (Adults)	<ul style="list-style-type: none"> • Transforming social care • Integrated commissioning • Standards and planning • Professional leadership • Safeguarding and care governance, including independent reviews
Head of Delivery (Adults)	<ul style="list-style-type: none"> • Developing and delivering community services • Locality social care teams • Integrated provision • Personalised support services • Integrated disability service
Director of Children's Services	<p>Remains largely unchanged:</p> <ul style="list-style-type: none"> • Effective delivery and improvement of all Children's Services • Integrated working • Safeguarding • Social care in the wider context
Head of Targeted Services (CYPD)	<ul style="list-style-type: none"> • Early intervention/targeted family support • Sure start/children's centres • Youth and play • Youth offending • Troubled families • School improvement and intervention • School attendance management
Head of Specialist Services (CYPD)	<ul style="list-style-type: none"> • Children's social work services • Fostering service • Adoption and permanence service • Pathway service • Services for children with disabilities and special education needs • Looked after children's service • Children in care council and children's involvement
Head of Universal and Infrastructure (CYPD)	<ul style="list-style-type: none"> • Corporate asset management • Facilities management • Emergency planning • Health and safety • Integrated transport • School traded services • School admission/appeals/statutory functions • 14-19 participation • Wirral lifelong learning and family services • Children's trust Partnerships and commissioning

6.2. Transformation and Resources

The Transformation and Resources programme area will include the services that are currently under the Department of Law, HR and Asset Management, and the Department of Finance. The following Chief Officer/Head of Service posts are proposed:

Post Title	Key Areas of Responsibility (list is not exhaustive)
Strategic Director: Transformation and Resources	As agreed by Cabinet and the Employment and Appointments Committee on 18 September 2012
Director of Resources	<ul style="list-style-type: none"> • Section 151 Officer • Statutory Senior Information Risk Officer (SIRO) • Financial and Treasury management • Audit • Procurement • Information technology services
Head of Financial Services	Remains largely unchanged: <ul style="list-style-type: none"> • Deputy Section 151 Officer • Financial management • Financial advice
Head of Legal and Member Services	<ul style="list-style-type: none"> • Monitoring Officer • Legal Services • Registration • Freedom of Information Records Management and Archive • Complaints
Head of Human Resources and Organisational Development	Remains largely unchanged: <ul style="list-style-type: none"> • Human Resources • Organisational Development • Payroll
Head of Business Processes	<ul style="list-style-type: none"> • Revenues • Benefits • Customer Services including One Stop Shops and Call Centre • Library Service
Head of Merseyside Pension Fund	Remains largely unchanged: <ul style="list-style-type: none"> • Pension administration • Pension Investments Strategy • Pension advice

6.3. Regeneration and Environment

The Regeneration and Environment programme area will include the services that are currently under the Technical Services Department and the Department of Regeneration, Housing and Planning. The following Chief Officer/Head of Service posts are proposed:

Post Title	Key Areas of Responsibility (list is not exhaustive)
Strategic Director: Regeneration and Environment	As agreed by Cabinet and the Employment and Appointments Committee on 18 September 2012
Head of Regeneration	Remains largely unchanged: <ul style="list-style-type: none"> • Regeneration and economic development • Business support • Local Enterprise Partnership • Planning • Building control • Cultural services
Head of Housing and Community Safety	<ul style="list-style-type: none"> • Housing Strategy including homelessness • Housing renewal including private sector housing • Supporting people • Community safety • Anti-social behaviour team
Head of Environment and Regulation	<ul style="list-style-type: none"> • Waste and environment • Highways management • Traffic and transport • Parks and countryside • Regulation • Trading standards • Environmental health

6.4. Chief Executive

The Chief Executive's department will include the Policy, Performance and Public health service, and the Neighbourhoods and Engagement service. The following Chief Officer/Head of Service posts are proposed:

Post Title	Areas of Responsibility
Chief Executive	Remains largely unchanged: <ul style="list-style-type: none"> • Head of Paid Service • Deliver the Council's vision, aims and objectives • Ensure effective and efficient delivery of all Council services
Head of Policy and Performance and Director of Public Health	Remains largely unchanged: <ul style="list-style-type: none"> • Statutory Director of Public Health • Health improvement and protection

	<ul style="list-style-type: none"> • Policy and planning • Strategic commissioning development • Performance management • Wirral Public Service Board
Head of Neighbourhoods and Engagement	<ul style="list-style-type: none"> • Community cohesion • Equality and diversity • Voluntary sector/compact • Neighbourhoods • Area planning/area public service boards • Tourism • Communications, marketing, press and public relations

7. RECRUITMENT TO THE POSTS

7.1. The following methods will be used for managing the selection processes:

- Slotting in or assimilation – where the employee’s post is the same in the new structure, or where at least 70% of the employee’s current duties, match those in the new structure, the employee will be slotted in.
- Ring fenced recruitment – where at least 70% of an employee’s current duties, match those in the new structure, but there are more employees than posts available. A competitive selection process will take place.
- Open recruitment – where a vacancy or new post is created, a competitive recruitment process will take place.
- Deletion of post (redundancy) – where a post is deleted, and slotting in or ring fenced recruitment does not apply, the post holder will receive notification of selection for redundancy.

The application of the above methods for managing the selection process for the senior management restructure are attached at Appendix Three.

8. FUTURE CHANGES

8.1. It is proposed that a further management structure for senior managers (those reporting to a Head of Service) and below is undertaken, following the outcome of this report. This should include consultation with the recognised Trade Unions and the staff affected, and should consider the impact on remaining structures. The further management structure will follow the principles as above (paragraph 5), and will make financial savings of £4m, approximately 30% of the current management costs at this level. Where there is a requirement for Committee approval, the necessary structures should be brought forward to Cabinet and the Employment and Appointments Committee in February 2013.

9. RELEVANT RISKS

9.1. The Council has considered all relevant risks in relation to the efficiency and effectiveness of the proposed senior management restructure, and considers the proposed structure is able to deliver the Council's objectives, and meet the demanding financial challenge, with minimum risk.

10. OTHER OPTIONS CONSIDERED

10.1. This is one of a range of options being put forward by the Council to achieve the financial savings necessary for the Council to reduce its budget deficit.

11. CONSULTATION

11.1. Consultation has taken place with the Trade Unions in respect of these proposals. The feedback from this consultation process is summarised as follows:

Job Evaluation

The Trade Unions raised the issue that the proposed Chief Officer/Head of Service posts in the proposed senior management structure have not been Job Evaluated.

11.2. The Council has consulted with all Chief Officers and Heads of Service throughout this process. This included consultation letters and packs to all affected staff, consultation briefings with the Chief Executive, and 1-2-1 meetings with the Chief Executive and Human Resources. The overall feedback from this consultation process is summarised as follows:

Capacity

Issues were raised in relation to the remits for some of the Head of Service posts and whether the post holders would have sufficient capacity to lead and manage all of the service functions within them.

Service alignment

A number of individuals put forward views in relation to where some service functions best fit within the proposed senior management structure. Examples include Sport and recreation, Trading Standards and Regulation.

The response is summarised as follows:

Capacity

The issues raised have been noted and considered in the context of the Council's financial position and further senior management restructure. The issues in relation to capacity for posts that have larger remits will be addressed at the tier below Head of Service when the further senior management restructure comes forward in February 2013. In addition, the Council will be down-sizing over the next few years. In periods of particularly high demand, the Council may consider using its internal and external resources flexibly to meet demands.

Service alignment

The Council accepts that a number of service functions can fit into more than one area within the proposed senior management structure. The service functions have been grouped in line with best fit, and consideration of the remit of the three new Strategic Director posts, and the context of making the necessary financial savings. As the

Council's financial pressures change and national policies develop, the structures will be subject to changes to reflect this.

12. IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

12.1. The proposed senior management structure will not have any direct implications for the voluntary, community and faith groups. The Council will continue to work in partnership with these groups.

13. RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

13.1. The proposed senior management structure reduces the number of posts at this level by 11 full time equivalent (fte), resulting in savings of £1,245,990. As agreed by Cabinet and the Employment and Appointments Committee on 18 September 2012, these savings will fund the three Strategic Director posts, leaving a net cost saving to the Council of £799,811.

This is illustrated in the following summary table:

	Current	Proposed	Saving	%		Add in SD posts x3	Total saving	Total %
No of posts	30 fte (excluding SD posts x3)	19 fte (excluding SD posts x3)	11 fte (excluding SD posts x3)	36.66%		22 fte	8 fte	26.66%
Total salary cost inc on-costs	£3,192,496 (excluding SD posts x3)	£1,946,506 (excluding SD posts x3)	£1,245,990 (excluding SD posts x3)	39.03%		£2,392,685	£799,811	25.05%

13.2. In addition, a number of the posts are covered by income. This includes £90,000 towards the cost of the Strategic Director: Transformation and Resources from Merseyside Pension Fund, and £89,240 salary cost for the Head of Policy and Performance and Director of Public Health as part of the Public Health transition budget transfer.

This is illustrated in the following summary table:

Post	Salary including on-costs	Income	Net Salary: Cost to Council
Strategic Director: Transformation and Resources	£148,726	£90,000 (budget from Merseyside Pension Fund)	£58,726
Head of Policy and Performance and Director of Public Health	£108,962	£108,962 (budget from NHS Public Health transition)	£0.00
Total	£257,688	£198,962	£58,726

The total net savings to the Council is therefore £998,773, as illustrated in the summary table below:

Cost of proposed structure, including SD posts x3	Net Income of £198,962	Total saving	Total %
£2,392,685	£2,193,723	£998,773	31.28%

13.3. The Officer Budget Option in relation to reducing management costs put forward a proposed saving of £5m. The additional £4m savings will be generated via the further management restructure which will be brought forward to Cabinet and the Employment and Appointments Committee in February 2013.

14. LEGAL IMPLICATIONS

14.1. Legal and HR advice has been sought in relation to the implications arising from the proposed senior management structure to ensure that correct processes are followed.

15. EQUALITIES IMPLICATIONS

15.1. An EIA has been completed on the proposed senior management structure. The EIA is attached, and is available at:

<https://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/budget-options-eias>

16. CARBON REDUCTION IMPLICATIONS

16.1. None arising from this report.

17. PLANNING AND COMMUNITY SAFETY IMPLICATIONS

17.1. None arising from this report.

18. RECOMMENDATIONS

It is recommended that Cabinet:

- 18.1. Endorse the report.
- 18.2. Refer and recommend the following proposals to the Employment and Appointments Committee for consideration and decision:

- The deletion of the following posts:

Adult Social Services

- Deputy Director of Adult Social Services
- Head of Finance and Performance (Adults)
- Head of Locality Personalised Support (Adults)
- Head of Specialist Personalised Support (Adults)
- Head of Safeguarding and care Governance (Adults)

Children's Services

- Deputy Director: Planning, resources and Schools (CYPD)
- Head of Children's Social Care
- Head of Learning and Achievement

Finance

- Director of Finance
- Deputy Director of Finance
- Head of IT Services
- Head of Benefits, Revenues and Customer Services

Law, HR and Asset Management

- Director of Law, HR and Asset Management
- Head of Regulation
- Head of Asset Management

Technical Services

- Director of Technical Services
- Deputy Director of Technical Services
- Head of Cultural Services

Regeneration, Housing and Planning

- Director of Regeneration, Housing and Planning

- The creation of the following posts:

Families and Wellbeing

- Head of Transformation (Adults)
- Head of Delivery (Adults)
- Head of Specialist Services (CYPD)
- Head of Targeted Services (CYPD)
- Head of Universal and Infrastructure (CYPD) and Assistant Chief Executive

Regeneration and Environment

- Head of Environment and Regulation

Transformation and Resources

- Head of Business Processes

- The re-designation of the following posts:

Regeneration and Environment

- Head of Housing to Head of Housing and Community Safety

Chief Executive

- Head of Communication and Community Engagement to Head of Neighbourhoods and Engagement

- 18.3 To approve the re-alignment of services across the three programme areas as detailed in the report.
- 18.4 To ask the Chief Executive to consult on and to implement the further management restructure for senior manager levels to PO level, with expected financial savings of £4m.

19 REASONS FOR RECOMMENDATION/S

- 19.1 The senior management structure proposed at Appendix Two reflects a revised leadership structure that is required to provide capacity for strategic direction and

planning, to ensure the Council can deliver its objectives, and to generate financial savings of £998,773 in line with the Council's need to reduce its budget shortfall of £39m for 2013-14.

- 19.2 The Council is required to make further financial savings including additional savings aligned to the further management restructure of the Council.

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APPENDICES

Appendix 1 Current Senior Management Structure, including total cost

Appendix 2 Proposed Senior Management Structure, including total cost

Appendix 3 Application of methods for managing the selection process

REFERENCE MATERIAL

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Employment and Appointments Committee	18 September 2012
Cabinet	18 September 2012
Council	16 July 2012
Employment and Appointments Committee	29 September 2011