



LEADER OF THE COUNCIL

COUNCILLOR PHIL DAVIES

EMPLOYMENT & APPOINTMENTS

COMMITTEE

MONDAY 25 JULY 2016

CHIEF OFFICER STRUCTURE (THE NEW OPERATING MODEL)

Councillor Phil Davies, The Leader of The Council, said:

“The past year has seen Wirral Council take rapid steps towards becoming a different organisation; one which is focussed on longer term planning, on being proactive rather than reactive, and on improving outcomes for residents.

We have the Wirral Plan in place, a shared vision for what we will collectively achieve over the next five years. We now have a set of strategies in place which will guide our investments, efforts and work to make sure we achieve our vision. We have developed a new approach to transforming services through a strategic, robust programme.

I am pleased that the Council’s Chief Executive and Head of Paid Service has put forward proposals for a new senior management structure to support the Council’s new operating model. I welcome the opportunity for the Employment and Appointments Committee to consider these proposals”.

1.0 REPORT SUMMARY

- 1.1 This report sets out a proposal for a new organisational structure; a key phase of implementing the new operating model for the Council to enable the organisation to deliver the 20 Pledges for 2020 described within the Wirral Plan.
- 1.2 The operating model is based on three key themes: improving outcomes for residents, securing excellent services and being a well-run organisation. This

initial phase of the model is focussed on an organisational restructure, and will be supported by a new organisational development and culture change programme to further develop the Council's approach and capacity to deliver the Wirral Plan.

- 1.3 The Council's existing senior management structure was implemented in 2012. We now have in place the Wirral Plan, further developed partnerships and devolution. The Council requires a new structure to ensure we have the capacity and resources in the right place to deliver our plans.
- 1.4 Appendix Ten of this report contains information relating to an individual(s) disclosure of which is not considered to be appropriate. Accordingly the appendix is deemed to be exempt from disclosure by virtue of paragraph 1, Part 1 of schedule 12A of the Local Government Act 1972. The Committee will need to give consideration to whether or not the exemption will be maintained having reached its decision.

2.0 RECOMMENDATIONS

- 2.1 The Employment and Appointments Committee is requested to approve the new Chief Officer structure of the Council, detailed in Appendix One (including the deletion, creation and change of roles), with the appointment to those roles as appropriate with effect from 1 November 2016.
- 2.2 To appoint the following senior managers to Chief Officer positions:
 - Alan Evans (Investment and Business Manager) as Strategic Commissioner for Growth
 - Sue Talbot (Schools Commissioning Manager) as Lead Commissioner for Schools
- 2.3 To set up a politically proportionate Appointments Panel, in accordance with the terms of reference set out in Appendix Two, for the following posts to be advertised internally and externally:
 - Transformation Director (Fixed Term contract)
 - Assistant Director: Commissioning Support; and

For the following posts to be advertised internally:

 - Assistant Director: Community Services
 - Assistant Director: Adult and Disability Services (Fixed Term contract)
- 2.4 To agree that the posts specified in 2.3 be advertised as soon as possible following the Employments and Appointments Committee on 25 July 2016.
- 2.5 That the Appointments Panel has the authority to agree the appropriate salary and contract terms for the Transformation Director and Assistant Director: Commissioning Support.

- 2.6 To agree that the Head of Human Resources and Organisational Development be authorised to make and undertake all requisite arrangements necessary for the above internal and external appointments to be made.
- 2.7. To agree to the proposed timetable for external and internal recruitment as set out in Appendix Three.
- 2.8 The Employment and Appointments Committee recommend to Council that the Council's Pay Policy be amended to reflect a change in the title of grade from 'Strategic Director' (Spinal Column Points 1-5) to 'Senior Director' (Spinal Column Points 1-5), as the Strategic Director is to be replaced by the three new senior posts. There are no changes to the salaries for this grade.
- 2.9 It is recommended that before the Council implements the proposed structure on 1 November 2016, there is a review of the framework and details relating to Children's Services, subject to the finding of the OFSTED inspection.

SUPPORTING INFORMATION

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 The new management structure is proposed by the Chief Executive, following a review of existing arrangements, design of a new operating model and informal and formal consultation process involving senior managers. It is recommended to ensure that the Council has the appropriate leadership and management framework in place to deliver our plans, improve outcomes for residents, change the way the Council works, address the financial challenges and implement a new operating model.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 A review of the Council's current operating model is required to support delivery of the Wirral Plan. The new operating model will focus on customer needs and outcomes through appropriate models of delivery.

5.0 BACKGROUND INFORMATION

Overview of New Operating Model.

- 5.1 The Council's ambition is to be outstanding. Over the past twelve months the Council has been putting the building blocks in place to take it to the next stage of its development. The Wirral Plan has been developed, a shared vision for what the Council will collectively achieve over the next five years. The Council has a set of strategies in place which will guide investments, efforts and work to make sure we achieve the vision. The Council has developed a new approach to transforming services through a strategic, robust programme delivered in partnership.
- 5.2 The proposed new operating model will drive change in how the way the Council works how officers behave and go about their business. It is designed to move the Council towards a new culture, where thinking and designing the Council's approach is based on outcomes for residents, effective partnerships,

insight and evidence – working to achieve a new Wirral, where all public resources and activity are invested in achieving the vision we set in the Wirral Plan.

- 5.3 The Council's plan for a new operating model was shared with the LGA Peer Review team in Autumn 2015 who concluded that it was an appropriate model. The Peer review team endorsed the view that a strengthened transformation capability, a move from short term financial planning to long term alignment of resources to pledges, and an operating model with appropriate capacity, would support the Council to deliver change.
- 5.4 The proposed structure will support the new operating model to deliver excellent services and achieve the right outcomes for the residents of Wirral.
- 5.5 Cabinet agreed the principles of the new operating model on 21 March 2016.

Proposed framework of the New Operating Model

- 5.6 The proposed framework of the new operating model will consist of three main functions:
- **Strategic Hub:** Delivering Outcomes, with overall accountability for the leadership, direction and effective delivery of the strategic plan and related delivery plans.
 - **Business Services:** to enable the effective and efficient functioning of the Council and the services it commissions.
 - **Delivery:** Delivering Services, leading on designing, negotiating and implementing appropriate delivery options for a range of services.
- 5.7 The new model will also include a **Transformation Office** which will support the delivery of the Council's transformation programmes.
- 5.8 Accountability frameworks will be out in place to ensure that the statutory functions are delivered with work programmes derived from the strategy, transformation programmes and the efficiency reviews.

The Strategic Hub

- 5.9 The Strategic Hub will have accountability for the leadership, direction and effective delivery of the Wirral Plan and related delivery plans. The hub will be centred around the three wheels of the Wirral Plan: People (Adults, Children and Young People, Well-being), Business (Growth) and Environment. To enable the hub to deliver effective strategies it will also comprise of Intelligence, Strategy and Communication functions.
- 5.10 The Strategic Hub will be led by the Executive Director for Strategy, who will provide leadership on the key strategies required to deliver the outcomes for Wirral. The purpose of the hub is to define outcome requirements, strategic direction, engagement of stakeholders and partners, the strategic commissioning of services, ensuring that cutting edge solutions or services are delivered where appropriate within a commercial framework. One of the principles of the hub is about creating the space to lead for our senior leaders

and a focus on strategic outcomes for Wirral not the operational management of services.

- 5.11 A number of new senior management roles have been created by re-organising existing management roles: Head of Intelligence, Head of Strategy and Head of Communication. The Chief Officer posts in the hub include the statutory functions for Public Health, Adults and Children, and Strategic Commissioner roles for Growth and Environment.

Business Services

- 5.12 The Business Services function will be led by the Director for Business Services. The purpose of the role and function is to lead the development and delivery of commercially and performance focused business services for the Council.
- 5.13 The changing nature of the Council requires business services to be delivered differently with different skills and focus. The Council's business services: Finance, Human Resources/Organisational Development, Health and Safety, Law and Governance, Digital Services and Assets will provide commercially viable services, technical advice and will also take a leadership role for the organisational improvement and development strategies.
- 5.14 A key element of the enabling services is Commissioning. A new Assistant Director will lead the development of an integrated function that manages the client role, determined by the strategy and assessment of the required delivery model, the procurement process, managing the market, the provider relationships, ensuring value for money and that the required outputs are delivered to realise the identified strategic outcomes.

Delivery

- 5.15 The Delivery function will be led by the Managing Director for Delivery. The purpose of this role is to lead and manage the Delivery function of the Council, provision of high quality and affordable services and enabling the transition of services into new working arrangements or other appropriate delivery vehicles.
- 5.16 Each service area will be sponsored by a strategic commissioner from the Strategic Hub, who will lead a review of the service for the most appropriate delivery arrangements.
- 5.17 The Managing Director for Delivery will ensure services are delivered to required performance levels, within budgets and are market ready to meet the strategic direction identified.

Transformation

- 5.18 The proposed model sees the development of a Transformation Office to provide expertise in change, programme and project management. That office will be funded by the transformation fund and a new post of Transformation Director is proposed to provide vital leadership for this programme. This post will report directly to the Chief Executive.

The principles of the new structure

- 5.19 The following principles have been applied to the development of the new structure:
- To ensure the Council has the skills and capacity to deliver the right outcomes for the people of Wirral and deliver the Council's plans.
 - To create capacity for strategic thinking, long-term planning and design of services.
 - Separation of roles and responsibilities to ensure that the Council has appropriate resources focussed on delivering excellent services.
 - To create capacity to work in partnership and have a greater influence at local, regional and national level to improve outcomes for Wirral.
 - To enable the Council to be make decisions based on evidence and insight to improve outcomes for our residents.
 - No increase to grade unless there is a significant change to scope and accountability of job role.

Proposed new structure

- 5.20 The proposed new structure will change the requirement for leadership and management roles at the top tiers in line with the delivery of the Wirral Plan.
- 5.21 The three functions will be led by the existing three senior managers.
- 5.22 The Strategic Hub will be led by the Executive Director for Strategy, previously Strategic Director Families and Well-being.
- 5.23 Business Services will be led by the Director for Business Services (and Assistant Chief Executive), previously the Head of Assets and Assistant Chief Executive.
- 5.24 The Delivery function will be led by the Managing Director for Delivery, previously Strategic Director Transformation and Resources.
- 5.25 The current Chief Officer structure (agreed by Employment and Appointments Committee in December 2012) is attached at Appendix Four.
- 5.26 The proposed Chief Officer structure (new operating model), top three tiers, is attached at Appendix Five.
- 5.27 Also attached at Appendix Six is a delivery unit responsibility chart highlighting the functions and areas of responsibility that fall under each Assistant Director (NB: This is not an exhaustive list of teams/services).

5.28 The Council's Chief Officer grades/salaries are attached at Appendix Seven for information. There are no proposals to change salary range attached to each level.

Alignment to the New Operating Model

5.29 The alignment to the new roles in the structure has been undertaken in accordance with the Council's established approach to re-structuring and redundancy policy, ensuring that our business requirements are met, we have the right capacity in the right places and the best fit of skills, experience and knowledge.

5.30 The alignment is based on one of the following:

Change	Process
No direct change to role or grade (or minor changes to duties)	Slot in
New or changed role where duties are similar to current role and/or represent suitable alternative employment if substantive role is being deleted	Slot in subject to Employment and Appointments Committee approval
Newly created role at Chief Officer level (with proposal to be funded by deletion of Senior Management post)	Internal Recruitment process. Appointment by Employment and Appointments Committee Appointment Panel
New Chief Officer post	Internal and External Recruitment process. Appointment by Employment and Appointments Appointment Panel Committee

5.31 A summary of the alignment of roles in the new structure is attached at Appendix Eight

Slot in – higher grade

5.32 Appendix Nine sets out in detail the rationale for the slot in to higher-graded posts.

Redundancy

5.33 There is one proposed redundancy (Head of Housing). The redundancy and pension costs associated with this are attached at Appendix Ten. The costs are calculated in accordance with Council's current severance scheme and access to pension in accordance with Local Government Pension Scheme (reg 30 (7) of the LGPS Regulations 2013).

5.34 It is proposed that duties of post are absorbed by post of Assistant Director: Environmental Services with the Council's housing strategy being led by the Strategic Hub.

Chief Officer Appointment's panel

- 5.35 Subject to agreement by Committee, the Chief Officer posts that require recruitment and selection processes are set out below:

Appointments Panel for Chief Officer (External recruitment process)

- 5.36 Penna Plc will act as the recruitment consultants to support the external recruitment processes under the Council's current contracting arrangements. It is recommended that the following posts are advertised internally and externally:

Transformation Director (D1)

- 5.37 The Council requires a dedicated new role to drive, lead and manage major change. Given our challenges this cannot be incremental. This is a key role. We need an individual with the skill, experience but as importantly drive and ambition to deliver. This will not be a job where an individual develops into the role - they will have a track record of delivering major change.
- 5.38 For costing purposes, at this stage the recommendation for the role of Transformation Director is D1 (£102,580 - £113,977). This is to be funded from the Transformation Fund for two years at which point it will be reviewed.
- 5.39 However, emphasis will need to be on getting the right person for the role in a highly competitive market. The Council will be better able to do that without being constrained by traditional local authority pre-set grades and increments. To attract the right candidate there will need to be some flexibility in both salary and length of contract as this will be a factor.
- 5.40 In view of this, the recommendation is to advertise the role as an attractive package, to ensure that the Employment and Appointments Committee Appointments Panel have a longlist of exceptional candidates to consider for the role. The Committee can take a decision on the remuneration and contract terms prior to any offer of employment being made. The panel will receive advice from the Council's recruitment consultant on relevant market factors to assist with this decision.
- 5.41 In line with guidance under the Localism Act, proposed appointments to posts with remuneration exceeding £100,000 will be subject to a vote at Full Council.
- 5.42 This role will report directly to the Chief Executive.
- 5.43 The Job Description for this role is attached at Appendix 11.

Assistant Director: Commissioning Support (HS2)

- 5.44 This is a new role that will lead the commissioning and contract management of all Council services to achieve effective delivery of the Wirral Plan and provide the best possible commissioning support to the Council and its partners. It is also key in supporting the Council to be more commercial in all of its activities and thinking.

- 5.45 The Council will be reviewing services to identify the most appropriate model of delivery. Where alternative models are identified, the Assistant Director role will work with key stakeholders to develop future support needs and reflect these in contractual arrangements, key performance indicators and quality measures against which providers can be assessed, support and challenge underperforming providers.
- 5.46 The post will ensure the provision of cross cutting commissioning and commercial expertise to support each stage of the commissioning cycle.
- 5.47 The salary range for this post is HS2 (£68,011 - £75,567). The Council requires the right person with experience of managing commissioning, procurement and/or commercial functions, achieving sustainable improvement in value and outcomes and a track record of delivering significant efficiency savings as a result of more effective commercial, contract and procurement practices.
- 5.48 As with Transformation Director, to attract the right candidate there will need to be some flexibility in both salary and length of contract as this will be a factor in a highly competitive market.
- 5.49 In view of this, the recommendation is to advertise the role as an attractive package, to ensure that the Employment and Appointments Committee Appointments Panel have a longlist of exceptional candidates to consider for the role. The Committee can take a decision on the remuneration and contract terms prior to any offer of employment being made. The panel will receive advice from the Council's recruitment consultant on relevant market factors to assist with this decision
- 5.50 This post will report to Director of Business Services.
- 5.51 The Job Description for this role is attached at Appendix 12.

Appointments Panel for Chief Officer (Internal recruitment process)

- 5.52 It is recommended that the following posts are advertised internally as the Council believes there are appropriate skills and experience within the organisation at senior management level.

Assistant Director: Community Services (HS2)

- 5.53 This new post in the proposed Delivery function will have responsibility to lead on designing, negotiating and implementing alternative options in order to drive major improvements and efficiencies, promote innovation and improve customer experience for the following services:
- Community Safety
 - Youth offending
 - Anti-Social behaviour
 - Libraries
 - Domestic Abuse

- Leisure
- Museums/Theatres
- Parks

- 5.54 The right person will have experience of leading the successful delivery of large, complex, inter-related work-streams in order to drive major improvements and efficiencies and have a proven track record of managing and delivering a range of complex programmes and projects leading to improvements in outcomes. Experience of building positive relationships and working across boundaries and in partnership with the public, voluntary and private sector will also be essential.
- 5.55 This post will report to Managing Director for Delivery.
- 5.56 Subject to the outcome of the process, internal recruitment may allow costs of creating the new post to be reduced by deleting a post/restructuring at senior management level once an appointment is made. For costing purposes, we have made an assumption that a senior manager role would be deleted with an approximate saving of £50k
- 5.57 The Job Description for this role is attached at Appendix 13.

Assistant Director: Adult and Disability Services HS2 (Fixed Term Contract)

- 5.58 This new post will lead on designing, negotiating and implementing new delivery models in order to drive major improvements and efficiencies, promote innovation and improve customer experience for the following services:
- All age disability
 - Mental health
 - Older people
- 5.59 This is a qualified social worker post. The postholder will require significant operational management experience of effectively leading health and care services, providing challenge, guidance and support as required, and leading and managing large social care teams. They will also require experience of establishing robust systems for the delivery of effective adult's social care practice and policy.
- 5.60 This is a fixed term post – funded by Transformation Fund due to programme of integration of services with health and future commissioning of these services
- 5.61 This post will report to Managing Director for Delivery.
- 5.62 The Job Description for this role is attached at Appendix 14.

Summary of current post changes

- 5.63 The proposed New Operating Model and Chief Officer structure will result in a reduction of Chief Officer posts from 26 to 21 posts, with a net saving of £348,975 as set out below:

Post Change	Cost impact	Number of posts	Post titles
Posts deleted	-£995,100	9	<ul style="list-style-type: none"> • SD: Regeneration & Environment • SD: Families and Wellbeing • SD: Transformation and Resources • Head of Neighbourhoods & Engagement • Director of Resources • Head of Business Processes • Head of Housing • Head of Asset Management (0.5) • Assistant Chief Executive
Posts created	+ £819,258	7	<ul style="list-style-type: none"> • Assistant Director: Community Services • Strategic Commissioner for Growth • Lead Commissioner for Schools • Assistant Director: Commissioning Support • Managing Director for Delivery • Executive Director for Strategy • Director for Business Services
Posts re-graded	+£34,630	3	<ul style="list-style-type: none"> • Head of Financial Services • Head of Legal & Member Services • Head of Environment & Regulation
Senior Manager posts deleted to fund new posts at Chief Officer	-£207,763	3	<ul style="list-style-type: none"> • Investment and Business Manager (now Strategic Commissioner for Growth) • Schools Commissioning Manager (now Lead Commissioner for Schools) • Senior Manager (successful applicant) (now Assistant Director: Community Services)
Saving	£348,975*		

*This saving has already been allocated to the remodelling savings.

Structure	Posts
Current	26
Proposed	21**
Saving	5

**Excludes fixed term contract posts see paragraph 6.2.

Transitional Plan

- 5.64 The proposed new operating model and Chief Officer re-structure represents a fundamental change to leadership roles and how the Council will deliver services. This will have an impact on senior management roles and also mean that current services areas will be re-organised and aligned in new delivery blocks.
- 5.65 It is anticipated that the organisation will implement all structural changes by 1 November 2016. OFSTED is currently undertaking an inspection in Children's services. Therefore, before the Council implements the proposed structure there will be a review of the framework in line with the findings of the OFSTED inspection.
- 5.66 One of key elements of model is the separation of strategy and delivery and the intention that roles in the Strategic Hub do not have direct line management responsibility for areas they retain a statutory responsibility for.
- 5.67 Public Health already fulfils its statutory obligations through commissioned services. Adult Social Services also has a commissioning model in a number of areas.
- 5.68 Accountability frameworks are being developed to ensure that statutory responsibilities are fulfilled. Work programmes will be agreed. This work is underway. Subject to approval of the proposed structure, this work will continue between Employment and Appointments Committee and full implementation date of the structure in November 2016.
- 5.69 The Council is developing a transitional plan to ensure that all issues arising from the new model and re-organisation of services are picked up. This includes organisational structure and other Human Resources related changes, Digital (IT) changes, budget management responsibilities, asset management and re-location of some staff in line with new arrangements. There will be changes to the Council's schemes of delegation, constitution and governance arrangements arising from the changed roles and management arrangement. There will be a requirement to ensure new contact arrangements are communicated for some public, employee and elected member enquiries.

6.0 FINANCIAL IMPLICATIONS

6.1 The new operating model will generate a saving to the revenue budget of £348,975. This saving has already been allocated to the remodelling savings.

Transformation Fund

6.2 The fixed term posts that have been created will be funded by the Transformation fund for a period of up to two years therefore do not reflect a permanent annual cost to the Council. The costs are as follows:

Post	Cost (including on costs)
Transformation Director	£140,990
Assistant Director: Adult and Disability Services	£93,476
Total	£234,466

7.0 LEGAL IMPLICATIONS

7.1 The Council will ensure that all relevant employment legislation is complied with throughout the consultation, recruitment and selection processes.

8.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

8.1 The savings are set out in the body of the report. Costs are met within existing staffing budgets, or by funds from the Transformation fund.

8.2 The cost of change; internal recruitment process will be managed by Human Resources. External recruitment processes will be managed by Human Resources with the support of the recruitment consultants, Penna Ltd as per the Council's contractual arrangements.

8.3 Delivering our plans will require a change in culture. We will need to think and behave differently and change our approach to successfully transition to new ways of working. This also requires a new model of involvement and engagement with a clear, shared understanding and purpose at all levels of the organisation.

9.0 RELEVANT RISKS

9.1 The new operating model has been designed to ensure that the Council has sufficient capacity to deliver the Wirral plan. Retaining the Council's current structure, based on traditional service blocks, does not provide this capacity and therefore presents a risk to the Council. This was endorsed by the LGA review.

9.2 There is a potential risk arising from the new operating model associated with changing established reporting lines and ways of working. To mitigate this risk,

new accountability frameworks will be put in place to ensure that the statutory requirements are met.

- 9.3 Subject to approval of the proposed structure, a transition plan will be worked through and implemented to ensure the effective planning and management of changes to working arrangements and reporting lines.

10.0 ENGAGEMENT/CONSULTATION

- 10.1 On 22 June 2016 the Chief Executive met with all Chief Officers and senior managers on the staffing implications of the new operating model. A formal consultation period has taken place, including changes to roles and reporting lines.
- 10.2 The Trade Unions have been consulted with as part of this process. This involved a number of meetings with key senior managers including Chief Executive, Strategic Leads, Delivery Leads, Section 151 Officer and Monitoring Officer.
- 10.3 Consultation feedback has been considered by the Chief Executive and reflected in the proposals where appropriate.
- 10.4 The Chief Executive will be undertaking a series of staff roadshows from July 2016 which will include a presentation on the new operating model.
- 10.5 Subject to employment and Appointments Committee the Chief Executive will consult with senior managers affected by the Chief Officer structure.

11.0 EQUALITY IMPLICATIONS

An EIA has been undertaken on the new operating model. This is available at: <http://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2014-15/chief>

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APPENDICES

Appendix	Title
1	Changes to the Chief Officer Structure
2	Proposed Terms of Reference for the Appointments panel
3	Proposed timetable for internal and external recruitment
4	Current Chief Officer structure (as agreed by Employment and Appointments Committee on 20 December 2012)
5	Proposed Chief Officer Structure (New Operating Model)
6	Delivery Unit responsibility chart
7	Chief Officer grade / salaries
8	Staff Alignment Table
9	Rationale for slot in to higher graded posts
10	Redundancy and pension costs for Head of Housing (EXEMPT)
11	DRAFT Job Description – Transformation Director
12	DRAFT Job Description – Assistant Director: Commissioning Support
13	DRAFT Job Description – Assistant Director: Community Services
14	DRAFT Job Description – Assistant Director: Adult and Disability Services

REFERENCE MATERIAL

N/A

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	21 March 2016
Employment and Appointments Committee	21 September 2015