

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	17 November 2011
<b>Subject:</b>	INFORMATION REPORT – Senior Management Structure
<b>Key Decision:</b>	No
<b>Responsible Officer:</b>	Michael Lockwood, Chief Executive
<b>Portfolio Holder:</b>	Councillor Bill Stephenson, Leader of the Council and Portfolio Holder for Finance and Business Transformation
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	No
<b>Enclosures:</b>	Senior Management Restructure Consultation Pack October 2011

## **Section 1 – Summary and Recommendations**

This report sets out proposals currently being consulted on for a revised senior management structure for the Council to better enable it to achieve its strategic objectives.

### **Recommendations:**

Cabinet is requested to note the consultation.

### **Reason: (For recommendation)**

A further report on the final senior management structure, will be submitted for Cabinet to agree at its next meeting on 15<sup>th</sup> December 2011, following the end of the consultation process together with the responses received. The report to Cabinet on 15<sup>th</sup> December 2011 will be a Key Decision and the forward plan will be updated to reflect this.

## **Section 2 – Report**

### **Introduction**

Our current Senior Management structures have been in place for three years and have served the Council well. Indeed the Council has come a long way in this time and we are now recognised as one of the best councils in the country. However, given the cuts to public sector spending and the Government's plans for public service reform, I believe it is time to put in place revised management arrangements, which in my view will better meet the Administration's vision and priorities and the external challenges we face going forward. My aim in making these changes is to further build on the successes we have achieved to date and more importantly continue to improve our residents' views of us in terms of the quality of services we provide.

### **Options considered**

None

### **Background**

The current Senior Management structures have been in place for over 3 years and have served the Council well.

The Council has made good improvements in the last three years, reflected in the recent MJ award of Best Achieving Council in the UK for 2011/12. More importantly, services in virtually all areas have continued to improve and critically, resident satisfaction with the Council has increased.

However, the world has changed significantly in the last year or so. Cuts to public spending means the Council has to make significant financial savings in addition to those already made to date. The Coalition Government is also pushing through a raft of legislation that is fundamentally shifting the policy direction for local government and bringing about a new relationship between central government, local government and the public based on devolution and localism. The future role for local government is moving more towards supporting and encouraging community involvement, working collaboratively with partners, commissioning services based on need and outcomes and ensuring fair and equal access to services rather than direct service provision.

We are also currently undertaking the biggest transformation programme this council has seen, which will result in the need to make over £60m savings and a desire to create a Council that better enables residents to be more actively involved in creating solutions, is more agile in responding to needs and is able to bring its resources and those of other partners together to deliver better outcomes for residents. Central to this is the introduction of a commissioning model which will decide how to use the resources available within the borough to best achieve key outcomes for residents in the most efficient, effective and sustainable way.

The administration has set a clear vision and priorities (detailed below). Their strong desire is to improve the way we engage and involve residents and service users in shaping, delivering and holding our services to account. It is intended that the new structural arrangements will support the delivery of these priorities and this new approach:

Vision: Working together: our Harrow, our community

Priorities:

1. Keeping neighbourhoods clean, green and safe
2. Supporting and protecting people who are most in need
3. United and involved communities: a Council that listens and leads
4. Supporting our town centre, our local shopping centres and businesses

For example, (priorities 1 and 4) despite the difficult situation we are facing as a council, we also have a major opportunity to deliver significant and positive change for the borough over the next 15 years with the regeneration of the Harrow and Wealdstone corridor and rejuvenation of Harrow town centre by attracting over £1bn of investment. By 2026 new development and economic growth in the borough will have provided 5,350 net new homes, created over 4,000 additional new jobs and funded essential local infrastructure that will benefit all in the community. The Harrow & Wealdstone Intensification Area will deliver at least 2,500 of these net new homes and 3,000 of the additional new jobs. With an increased emphasis on Harrow as a place, the proposed new Environment and Enterprise Directorate should further support the delivery of these priorities.

The proposed new Community, Health and Well-being Directorate by joining up the services of Adults, Housing, Leisure, Community and Public Health when it becomes a local authority function in 2013 should make a real impact on the health and well-being outcomes of our residents supporting priority 2.

The administration also quite rightly want to make sure that wherever possible the Council protects front line services to its residents and the revised structural proposals reduce management costs and the size of the corporate centre by creating a single Resources Directorate, bringing together the Chief Executive's, Finance and Legal and Governance areas.

My aim in making these changes is also to enable the new senior management team to concentrate more on the strategic issues the Council faces as a whole rather than just from an individual directorate's perspective. This will be supported by the proposed creation of an Operating Board at third tier level. It will also require the senior management team to be more outcome focussed on the needs of the community or service user as we move towards a commissioning model for Harrow, supporting priority 3. This will require a different leadership style and culture, so, I am looking for more strategic leadership from my senior management team going forward. To further reinforce this I would like the new structure to facilitate greater horizontal working between the different directorates of the council. With this objective in mind, I am therefore proposing that each Corporate Director will

have a cross council role to lead on a specific issue e.g. equalities, community engagement, commissioning, voluntary sector, culture change/staff engagement etc. in order to ensure that our approach to these important areas is more consistent across the organisation.

On 21<sup>st</sup> October 2011, I commenced consultation with Chief Officers and senior managers on proposals for a revised senior management structure. These proposals reflect my views that further changes are needed if the organisation is to reach its potential. The rationale for the proposed restructuring and the new senior management structure is set out in more detail in the attached Consultation Pack.

Related to the proposed restructure, I will discuss in more detail with the new senior management team potential directorate re-structures and service changes, which I believe the authority needs to undertake to capture the opportunities these new directorates offer. I have asked Corporate Directors to put forward plans for how these could be achieved within 3 months of their appointment. Where applicable these areas could form the basis of separate consultations.

I have also indicated that I will wish to revisit the structures in 18 months time to decide whether any further changes/refinements are required.

## **Implications of the Recommendation**

The proposals result in a reduction in the current size of the Senior Management Team from 8 to 5. The proposals include the deletion of 5 senior manager posts to be replaced by 3 new posts. Current holders of affected posts are therefore potentially displaced.

The implementation of the proposed structure will be by means of the Council's Protocol for Managing Organisational Change. The Protocol includes the formal consultative processes to be followed, the appointment process, redeployment and the arrangements for redundancies.

Consultation with Chief Officers and relevant senior managers commenced on 21<sup>st</sup> October 2011 and will conclude on 18<sup>th</sup> November 2011. As part of the consultation process I met with Chief Officers and senior managers on 21<sup>st</sup> October 2011, both the Labour and Conservative groups and the Trade Unions to issue the attached Consultation Pack in which I have explained the rationale for this restructuring and my proposed new senior management structure. The consultation pack has also been made available on the intranet for all staff to access.

The views and comments of Chief officers, senior managers, Councillors and Trade Unions expressed through the consultation process will be included in a further report to Cabinet on the final senior management structure on 15<sup>th</sup> December 2011.

The Chief Officer Employment Panel has also been consulted on the processes and will be responsible for new appointments to Chief Officer posts in the proposed structure.

## **Financial Implications**

I have made a commitment to achieve savings through reducing the size of the senior management team. During 2010-11 three senior management posts were deleted resulting in a saving in salary costs which equates to £370k in a full year.

The proposals set out above involve a further reduction of two senior management posts that will result in an additional net full year saving in salary costs of £335k from 2012-13.

The proposals also facilitate further reductions in senior manager posts and I anticipate that when the final phase of senior management restructuring is complete the total salary cost savings will exceed £1m.

There will potentially be redundancy costs arising from the restructure. At present it is envisaged that this would be drawn from the contingency within the current year's budget.

## **Performance Issues**

This restructure is designed to build on the successes we have achieved to date and enable us to better respond to the challenges ahead whilst continuing to make a step change in our improvement journey. More importantly it should allow us to continue to improve residents' views of us in terms of the quality of services we provide.

## **Environmental Impact**

None

## **Risk Management Implications**

Risk included on Directorate risk register? No

Separate risk register in place? No

## **Equalities implications**

An Equalities Impact assessment will be undertaken to ensure the Council is aware of and acts to minimise the potential for any disproportionate impact as a result of any employee's protected characteristics.

## **Corporate Priorities**

The report incorporates all four corporate priorities.

## **Section 6 - Contact Details and Background Papers**

**Contact:** Michael Lockwood, Chief Executive. Tel: 020 8424 1001

**Background Papers:** Senior Management Restructure Consultation Pack October 2011

**Call-In Waived by the  
Chairman of Overview  
and Scrutiny  
Committee**

**NOT APPLICABLE**

*[Decisions for Noting are not  
subject to Call-in]*