

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	15 December 2011
<b>Subject:</b>	Senior Management Structure
<b>Key Decision:</b>	Yes
<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>	Yes
<b>Enclosures:</b>	Appendix 1: Consultation Pack including: Proposed Senior Management Structure Current Senior Management Structure Draft Job Descriptions Appendix 2: Responses to consultation

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

This report sets out the outcome of the consultation on changes to the Council's senior management structure and proposes a revised structure to better enable it to achieve its strategic objectives.

### **Recommendations:**

Cabinet is requested to:

1. Approve the proposed senior management structure as set out in the Consultation Pack attached at appendix 1; and

2. Agree the job descriptions as set out in the Consultation Pack attached at appendix 1.

**Reason: (For recommendation)**

To enable implementation of a more cost effective and strategically focussed senior management structure

## **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 now time to put in place revised management arrangements. In my view these new structures will enable us to 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.

### **Background**

Consultation on the proposed new structure commenced at a meeting with chief officers and relevant senior managers on 21<sup>st</sup> October 2011. A formal Consultation Pack was issued to those impacted, including PA's to Corporate Directors and the Chief Officer Employment Panel in which I explained my rationale for the changes and the proposed new senior management structure. This was also made available to all Councillors and staff via the intranet and my monthly newsletter. I have met with individual members of staff at all levels when requested and attended both Labour and Conservative Groups. I was also invited to attend a Scrutiny challenge panel to discuss the issue and met with the Unions (Unison and GMB) and partners. I am grateful for the contributions and advice of all I met.

At its meeting on 17<sup>th</sup> November 2011, Cabinet received an information report in which I set out the background to my proposals, to which was attached a copy of the formal Consultation Pack (attached at appendix 1).

Following the end of the consultation period on 18<sup>th</sup> November 2011 and having reviewed all comments made, I met with the senior management team on 24<sup>th</sup> November to feedback the results of the consultation and the final proposals I would be submitting in this report.

## **Why a change is needed**

I believe a restructure of the senior management team is required to respond to the new environment we face as a council in the years ahead. It is therefore integral to delivering the type of organisation we want to be in the future. This restructure is designed to enable us to better respond to the challenges and opportunities ahead whilst continuing to make a step change in our improvement journey.

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, 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 priorities 1 and 4.

The proposed new Community, Health and Well-being Directorate which brings together 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 to enable the new CSB to better focus on the strategic issues the Council faces and the community's needs as a whole, rather than just from an individual directorate's perspective. The move towards a commissioning model for Harrow will also require a different leadership style and culture. In essence, I am looking for more strategic leadership from my senior management team going forward. To further reinforce this I will ensure issues are looked at cross council and each Corporate Director will have a cross council role leading 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.

Also, given the wider remit of each Corporate Director, I will, with the agreement of Cabinet, look at instigating Directorate wide portfolio holder meetings as well as the current individual portfolio holder meetings with managers to facilitate greater join up and cross council working.

### **Current situation**

The current senior management structure is included in the consultation pack at appendix 1.

The current structure does not include an official Deputy Chief Executive. In the Chief Executive's absence a Corporate Director deputises according to the duty director rota.

### **Options considered**

In developing the proposals, a range of options for changes to the management structure was considered. The proposal put forward in the consultation pack was considered the most appropriate option for Harrow at this time. As a result of the consultation I have made some adjustments and provided further clarification on some aspects of my proposal. These are set out in more detail later in the report and in appendix 2.

### **Proposed Recommendation**

Following the consultation I am recommending that my original proposal remains unchanged, in that the Senior Management Team is reduced from 8 to 5. The following posts will be deleted:

- Corporate Director, Place Shaping
- Corporate Director, Community & Environment
- Corporate Director, Adults & Housing
- Assistant Chief Executive

The post holders are therefore potentially displaced and will be eligible to be considered for vacancies within the new structure. The post of Corporate Director, Finance is currently vacant and will also be deleted.

The following new posts are created and I have taken this opportunity to revise the job descriptions for all Corporate Directors, so that they better reflect the broader leadership changes identified above.

### **Corporate Director, Environment and Enterprise**

- This post will lead a new directorate that brings together services in the current Place Shaping directorate with those 'neighbourhood' services in the current Community & Environment directorate to provide a real focus on the quality of Harrow as a place.
- There is the potential for significant change to the way the services brought together by this new directorate will be delivered as a result of our approach to commissioning and transformation, the drive for greater resident engagement and involvement and discussions in London and elsewhere about collaborative working. Consequently, the directorate could end up looking very different and could require different leadership qualities and management skills as a result. Therefore, I am proposing that this is a fixed term post for a period of 2 years to initially oversee the transformation.

### **Corporate Director, Community, Health & Wellbeing**

- This post will lead the services currently in the Adults & Housing directorate. In addition, I am proposing that the Community and Culture services, currently within the Community & Environment directorate, and public health, when it becomes a local authority function in April 2013, transfer to this directorate.
- I believe there are significant synergies between adult social care, housing, public health and cultural services, and therefore real advantages to bringing them together to provide better joined up services that will contribute to improving the health and well-being outcomes for our residents. I also consider there to be significant opportunities to give users of these services greater choice and control over the services they receive through greater personalisation. Specifically, these changes should also help to join up our investment in and engagement with the voluntary and community sector.

### **Corporate Director, Resources**

- This post will lead a new directorate that brings together all the Corporate Services in the Council into one place. Specifically, it will combine the services currently provided in the Finance directorate, Chief Executive's department and in Legal and Governance.
- Integrating these three directorates into one and driving out the associated efficiencies is a significant undertaking at a time when their capacity to support the council's transformation programme is critical. I am therefore proposing that the current Interim Corporate Director of Finance be directly employed by the council, on a fixed-term contract of 18 months, to undertake the role of Interim Corporate Director of Resources and S151 Officer. This proposal will enable the current

Interim Corporate Director of Finance to continue to focus on delivering further improvements in financial management. Following the appointment of the Corporate Director of Resources - designate, they will together provide the organisational capacity to ensure the new Directorate is effectively established and progress with the Council's transformation programme continues.

The role of Corporate Director Children's Services is unchanged. The directorate has been through a significant reorganisation earlier in the year with the introduction of the Integrated Targeted Children's Services Model. The new structure will enable Children's Services to continue to improve the services it offers and to deal with the significant central government policy changes and budget reductions whilst keeping children safe and protecting their well-being. However, I am proposing that the job description is revised in line with those of other Corporate Director posts to reflect the broader leadership changes identified above and the post title changed to **Corporate Director, Children and Families**.

The role of **Director of Legal & Governance** Services (and Monitoring Officer) is unchanged. However, I am proposing that the post holder reports to the new Corporate Director of Resources post with a dotted line relationship to the Chief Executive.

### **Conclusions from the Consultation**

Overall, the responses to the consultation have been very positive and supportive of the new structure and the direction it takes us in (see appendix 2). Respondents to the consultation viewed the restructure as being the right move for the next step of our journey and welcomed the opportunities it presented in terms of the focus of the new directorates, enabling better horizontal and cross council working and a more strategic role for the senior management team.

### **Appointment Process**

There were some questions about the appointment process for the new posts and the COEP (who are responsible for appointments to these posts including agreeing the JD/Person Spec and selection process) have been made aware of these.

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 any redundancies that may arise.

The following 'old post' is deleted and a job matching exercise has been undertaken which identified a similar 'new post' in the new structure. Therefore, as there are no others with a comparable claim to the new post, I am proposing that assimilation is appropriate as set out below:

<b>Old Post</b>	<b>New Post</b>
Corporate Director, Adults & Housing	Corporate Director, Community, Health & Well-being

The following posts are new posts, which do not closely match the duties and responsibilities of any post in the current structure. Therefore, as there are no others with comparable claims, I am proposing that these posts are ringfenced to post holders in the current structure as set out below:

<b>New Posts</b>	<b>Ringfenced to</b>
Corporate Director, Environment & Enterprise	Corporate Director, Place Shaping Corporate Director, Community & Environment
Corporate Director, Resources	Assistant Chief Executive

Open competition, prior to consideration of existing employees under the council's Protocol for Managing Organisational Change as set out above, would be a breach of employment contracts; lead to a risk of litigation; and is therefore not proposed nor desirable. There is also a statutory duty on the Council to avoid redundancy wherever possible.

Further work will also take place on developing 'competencies' for senior manager roles, based on the CREATE values and a skills audit.

### **S151 and monitoring officer arrangements.**

During the consultation a number of issues were quite rightly raised about the status and profile of the statutory S151 officer and Monitoring Officer in the new structure, if they were not appointed as the Corporate Director of Resources. This was an issue that I discussed in some detail at the Scrutiny challenge panel.

In any new Corporate Director Resources I am primarily looking for someone able to provide first-class leadership and change management skills to a diverse range of services regardless of whether or not they are a qualified accountant or lawyer. In the event that the Corporate Director Resources is neither the S151 officer nor the Monitoring officer these posts will be at tier 3. This is a structure that is becoming increasingly common as larger local authorities adopt a more slim line structure with just 3 or 4 strategic directorates. It also has the advantage of not diluting their respective responsibilities thus giving them the space to focus on these important areas for the Council.

Therefore under the new structure, if the Corporate Director, Resources is neither the S151 Officer nor the Monitoring Officer I am proposing that these statutory officers;

- Receive all CSB agendas and papers
- Have an open invite to attend CSB when they feel it appropriate
- Will have a dotted line to the Chief Executive and a formal monthly meeting to report on their statutory responsibilities

- Will have full and open access to the Leader of the Council as Portfolio Holder for Finance and access to the Cabinet and chairs of Committees as required
- Will continue to attend all other required Council, Cabinet, committee and other meetings and continue to have a formal role in sign-off of any reports that are to be presented to these meetings.

The Annual Governance Statement, delegations and standing orders will be amended to reflect this.

### **Deputy Chief Executive**

There was no consensus on arrangements for a Deputy Chief Executive, this will therefore be reviewed once the new structure is in place.

### **Greater horizontal working**

There was broad support for the idea of Corporate Directors taking on cross cutting roles such as equalities and community engagement. I will also look to discuss other possible cross cutting areas such as climate change, which were raised during the consultation process.

### **Secondary Structures**

I believe that as a result of this senior management restructure there will be opportunities to rationalise management arrangements at the 3<sup>rd</sup> tier and below and I will ask the new post holders to bring forward proposals on how this can be achieved within 3 months of appointment.

A small number of questions were raised about the location of some services such as Environmental Health, Adaptations, Adult Learning and Estates Caretaking in the new structure. I am suggesting that these be considered in the proposals the new Corporate Directors will be required to bring forward.

Although not part of the proposed restructure, I also have a number of work areas which I believe the authority needs to take forward and I will be discussing these in more detail with the new senior management team once appointed. Where applicable these work areas could form the basis of separate consultations.

### **Corporate Leadership Group**

The Corporate Leadership Group (CLG) of the top 30 managers that meet every 6 weeks has served its purpose well since its creation. There are some very able people at this level who I would like to further develop as future leaders of the council. However, the membership, role and terms of reference of the group will need to be reviewed in light of the changes proposed by this restructure and subsequent proposals that Corporate Directors will bring forward to ensure it reflects the new organisational structure and vision.

I suggested in the consultation pack the possibility of CLG becoming an operations board for the Council to better deal with the day-to-day issues thus freeing CSB to focus on the key strategic issues we face. This had strong support in the consultation responses particularly as a way of helping more



horizontal working and CLG have volunteered to set up a meeting to work through as a group how this could operate in practice and report back to me. The recent scrutiny report on performance management also supported this concept.

### **Business Support and PAs**

There will be no change to the number of staff in scope or benefit realisation of the business support project as a result of the restructure. Corporate Directors have agreed in principle to the 3 Hub model, which will be reconfigured to meet the requirements of the proposed new structure.

The impact of the proposed restructure on PAs will be dealt with through the business support project once the new structure has been agreed. The business support model has been designed to be flexible in order to cope with such organisational restructures. Comments received during the consultation in respect of business support have been passed on to the project team for consideration.

### **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. The temporary additional cost of the Interim Corporate Director of Resources will be met from these savings.

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 that current year's budget.

### **Performance Issues**

The proposed structure is considered to be the most effective to deliver the Council's priorities and facilitate effective delivery of the council's transformation programme and budget savings. This restructure is designed to enable us to better respond to the challenges ahead whilst continuing to make a step change in our improvement journey.

The proposals have been designed to support the Council's transition to a commissioning organisation and reinforce relationships with key partners.

## **Environmental Impact**

The proposed structure better aligns services with environmental considerations and service delivery. It therefore better supports the Council's work in mitigating impact on the environment and delivery of the council's climate change strategy.

## **Risk Management Implications**

Risk included on Directorate risk register. No

Separate risk register in place. No

## **Equalities implications**

An Equality Impact Assessment has been carried out. The Equalities Impact Assessment (EIA) has noted that there is an under representation of BAME and disabled staff in the senior management structure. As the Protocol for Managing Organisational Change will be used to implement the new structure, first consideration to either assimilation or ring-fencing is contractually required. The outcome of this exercise may result in no change to this under representation.

The EIA will be reviewed following Cabinet's decision and the implementation of a new structure. The Council will continue to monitor the representation of women, ethnic minorities and those with a disability in senior management through performance indicators.

## **Corporate Priorities**

The new structure will help the council deliver all four of the corporate priorities:

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

### **Section 3 - Statutory Officer Clearance**

Name: Julie Alderson  Chief Financial Officer

Date: 1 December 2011

Name: Jessica Farmer  on behalf of the  
Monitoring Officer

Date: 30 November 2011

### **Section 4 – Performance Officer Clearance**

Name: Alex Dewsnap  Divisional Director  
Partnership,  
Development and  
Performance

Date: 30 November 2011

### **Section 5 – Environmental Impact Officer Clearance**

Name: John Edwards  Divisional Director  
(Environmental  
Services)

Date: 25 November 2011

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

**Contact:** Michael Lockwood, Chief Executive Ext 2001

#### **Background Papers:**

Appendix 1: Consultation Pack including:  
Proposed Senior Management Structure

Current Senior Management Structure  
Draft Job Descriptions  
Appendix 2: Responses to the consultation

<b>Call-In Waived by the Chairman of Overview and Scrutiny Committee</b>	<b>NOT APPLICABLE</b>  <i>[Call-in applies]</i>
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