

CITY OF WOLVERHAMPTON COUNCIL	Cabinet 27 March 2019
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Report title	Review of Senior Management Structure – April 2019	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Roger Lawrence Leader of the Council	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All Wards	
Accountable Director	Tim Johnson, Managing Director	
Originating service	Corporate Directorate	
Accountable employee	Tim Johnson	Managing Director
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Report to be/has been considered by	Executive Team	21 January 2019
	Senior Management	5 February 2019
	Restructure Advisory Group	

Recommendations for decision:

The Cabinet recommends that Council approve:

1. The Director of Pensions post to be regraded from Grade 14 to Grade 15.
2. The Assistant Director – Investment and Pensions post to be regraded from Grade 13 to Grade 14.
3. The establishment of an Assistant Director – Pensions post Grade 14 subject to appointment by a Special Appointments Committee.
4. The Service Director for City Environment post is redesignated to Director for City Environment and the post be regraded from Grade 13 to Grade 14.
5. The Service Director for Housing post is redesignated to Director for City Housing and the post be regarded from Grade 13 to Grade 14.

6. The Head of Communications post is redesignated to Director of Communications and External Relations and the post be regraded from Grade 12 to Grade 14.
7. The Director of Black Country Transport post be regraded from Grade 13 to Grade 14.

The Cabinet is recommended to approve:

1. The structural changes outlined within this report to further increase opportunities for creative solutions and increased performance of the Council's business activities.
2. That the Managing Director be given delegated authority to undertake any final consultations with employees and trade unions to implement the changes contained within this report.
3. That the fixed term arrangements for the current interim Strategic Director of Place will cease on 31 March 2019, and the post be subsequently deleted.
4. That the Director of Commercial Services post is deleted, the current post holder left the Council on 21 December 2018.
5. That the Service Director for Strategy and Change post is deleted, the current post holder left the Council on 27 January 2019.
6. That the Assistant Director – Schools Standards vacant post is deleted.

Recommendations for noting:

The Cabinet is recommended to note:

1. The structural changes contained within this report will be implemented, subject to approval with effect from 1 April 2019, unless otherwise stated within this report.
2. That a further delegated review of operational structures will take place by the Managing Director/Strategic Executive Board following the appointments approved within this report.
3. That job evaluation takes place, as appropriate where roles have changed as a result of the Senior Management restructure.
4. That there are net savings arising from these recommendations to the General Fund in the region of £350,000.
5. That the current interim Strategic Director for Place role may remain with the Council to complete some project based work beyond the current contract end date of 31 March 2019.

6. That the line management arrangements currently aligned to the Strategic Director for Place are changed as detailed within this report.
7. That the line management arrangements currently aligned to the Director of Commercial Services are changed as detailed within this report.
8. The Head of Corporate Landlord post remains vacant until the review of the service has been completed.
9. The Head of Visitor Economy post remains vacant until the review of the service has been completed.
10. That the line management arrangements currently aligned to the Service Director for Strategy and Change were changed as detailed within this report with effect from 28 January 2019.
11. That a number of services, detailed within this report have transferred to the Director of Governance with effect from 28 January 2019.
12. That as a consequence of the above recommendation that the Head of Public Service Reform be redesignated Head of Governance and has also transferred under the line management of the Director of Governance, with effect from 28 January 2019.
13. That the Head of Business Management be redesignated the Head of Business Change and assume responsibilities for services as detailed within this report with effect from 28 January 2019.
14. That the creation of a Head of Strategy post will have responsibility for the services as detailed within this report.
15. That the Head of Human Resources will change reporting lines from the Managing Director to the Deputy Managing Director.
16. That the Head of Strategic Commissioning left the Council on 3 March 2019 and the post has been deleted.
17. That the Strategic Commissioning Team has been devolved back into each individual service (Children's, Adults and Public Health), to enable Directors to prioritise commissioning resources in a more agile and flexible way.
18. That the Head of People post be deleted, and a Head of Children's Improvement and Head of Adults Improvement be created.
19. That the Head of Customer Service post has been deleted following the departure of the postholder on 30 September 2018.

20. That following the review of Customer Services the function will report to the Director of City Environment.
21. That a further review of the structure at the West Midlands Pension Fund will take place following the senior manager changes.

1.0 Purpose

- 1.1 This report seeks approval for revisions to the Senior Management Structure of the Council.
- 1.2 The recently appointed Managing Director has undertaken a thorough review of the current Senior Management Structure to ensure it aligns to the Council's Vision 2030 and Corporate Plan Objectives.

2.0 Background

- 2.1 The Managing Director set out his interim senior management arrangements shortly after being appointed (wef 1 October 2018), pending this more detailed structural review. The current interim senior management structure can be seen in Appendix 1.
- 2.2 The interim changes also made improvements to the governance and assurance framework for leadership team meetings, including the Strategic Executive Board (SEB). These changes further enabled and empowered Directors to lead and deliver their strategic priorities. The revised officer governance structure can be seen in Appendix 2.
- 2.3 The interim changes also created a stronger 'corporate core' made up of the Director of Finance, Governance, Commercial Services, Strategy and Change as well as the Heads of Communications, HR and Business Management.
- 2.4 The Strategic Director for People was also made Deputy Managing Director in addition to his responsibilities as Strategic Director for People.
- 2.5 This report proposes changes to the senior management structures as part of a continuous review to ensure the Council proactively responds to its environment in terms of both financial constraints and priorities as set through the City's Vision 2030 and Council's Plan.
- 2.6 This structure review proposes changes across all Directorates, moving away from a directorate led (Corporate, People & Place) organisation to one that continues to operate and respond in a dynamic, cross cutting and agile style, regardless of the directorate.
- 2.7 This review most importantly ensures that services and responsibilities are aligned to the relevant accountable Directors, further empowering and enabling senior managers.
- 2.8 Work programmes for SEB members have been developed and implemented to provide clarity, oversight and assurance, these will be embedded into the performance framework. An example work programme can be seen in Appendix 3.
- 2.9 Every SEB work programme provides clarity on roles, expectations, and accountabilities, including;
 - a. Timelines
 - b. Priorities
 - c. Key Stakeholders
 - d. Assurance mechanism for monitoring outcomes
 - e. Key named strategic leads/SRO roles
 - f. Council Representation/Governance roles

- 2.10 The work programmes will enable the Managing Director (MD) and the Deputy Managing Director (DMD) to have improved assurance/oversight, which in turn empowers Directors to lead their areas of the business. This improved way of working also creates capacity for the MD/DMD to align their time to the key strategic local, regional and national initiatives as well as driving the ongoing transformation of the Council and the City.
- 2.11 SEB have worked collaboratively in developing each other's work programmes and will share these with their relevant Cabinet Member/s.
- 2.12 The Managing Director has carried out ward walk visits, these are visits to the City's 20 wards. The 'Ward walks' also support one of the new Managing Director's priorities 'shaping a new community relationship'. The purpose of these visits was to meet with Councillors, local residents and businesses to understand key issues in each area and then put in place quick and sometimes more sustainable solutions to those issues.
- 2.13 The outcome of this work has further strengthened the Managing Director's aspiration relating to a new relationship with communities, which will feature heavily in the work underway with the Wolverhampton for Everyone Partnership, a new approach that is enshrined within the draft Council Plan. A report is being prepared for the April Cabinet meeting that will provide further details on this new approach, which will focus on coproduction and codesigning, and some related initiatives.
- 2.14 The proposed structural changes also provide alignment to the Managing Directors priorities, the six key themes of these are as follows:
- People are our key asset – increasing focus on employee wellbeing and productivity
 - Empowering the organisation, championing innovation and increasing accountability
 - Refreshing our corporate plan, giving renewed clarity and focus
 - Involving young people more in what we do
 - Shaping a new community relationship
 - Refreshing and maximising our city regional relationships.
- 2.15 The outcome of the proposed changes is a net saving to the General Fund in the region of £350,000.
- 2.16 In previous years the senior management restructures have made the following savings to the General Fund after payback:

Structure review - year	Savings achieved
2014 – 2015	£500,000 (in addition to approximately £1.2 million saved since 2010)
2016	£200,000
2017	£263,000
2018	£260,000
2019	£350,000
Total	£2.8 million

- 2.17 Any changes to grades as a result of job evaluation will be contained within directorate budgets ensuring that the whole of the net saving is achieved.
- 2.18 The structural changes contained within this report will be implemented, subject to approval with effect from 1 April 2019, unless otherwise stated within this report.

3.0 Governance Arrangements

3.1 Strategic Executive Board

- 3.2 Membership to the Strategic Executive Board will continue to be as follows:

Strategic Executive Board – held on a fortnightly basis

Managing Director

Deputy Managing Director

Director of Children's Services'

Director of Adult Services'

Director of Finance

Director of Governance

Director of Education

Director of Communications and External Relations*

Director of Regeneration

Director of City Housing*

Director of City Environment*

Head of Human Resources

Head of Business Change

Head of Strategy

*subject to post redesignation within this report

3.3 The same above officer attendance will be applicable to the daily 0900 morning meetings of Directors.

3.4 Leadership Team Meetings

3.5 The governance changes that came into effect from 1 October in relation to Leadership Team meetings will remain unchanged, with the exception of changes that will occur subject to this report being approved (i.e post titles/remit changes). The revised officer governance structure can be seen in Appendix 2.

4.0 Structure proposals

4.1 To avoid any unnecessary confusion, the Deputy Managing Director will no longer have the combined Deputy Managing Director/Strategic Director for People post title. It is proposed the post will utilise the Deputy Managing Director, however, the postholder will continue to assume the responsibilities contained within both posts.

4.2 The Strategic Director of Place (Grade 15) post will be deleted with effect from 31 March 2019, However, the current postholder (interim Strategic Director for Place) may remain with the Council to complete some project based work beyond the current contract end date of 31 March 2019. Therefore, the proposed changes to line management arrangements as a result of this are as follows:

Director	Line Management Arrangements wef 1 April 2019
Regeneration	Managing Director – wef 11/02/2019
Housing	Managing Director – wef 01/04/2019
City Environment	Deputy Managing Director – wef 11/02/2019

4.3 The Director of Commercial Services (Grade 14) left the Council on 21 December 2018, therefore a review has taken place of this area. The below interim changes have been progressed with a view to the below proposed permanent arrangements taking place with effect from 1 April 2019. The Director of Commercial Services post will subsequently be deleted.

Commercial Service	Interim Arrangement – up until 31 March 2019	Permanent Arrangement – wef 1 April 2019
Corporate Landlord	Strategic Director – Place	Deputy Managing Director (after the review completed by the current interim Strategic Director for Place)
Customer Services	Deputy Managing Director	Director of City Environment – wef 1 October 2019
ICT	Deputy Managing Director	To be determined after the review of the service
Procurement & Commercial	Deputy Managing Director	To be determined after the review of the service

- 4.4 The Head of Corporate Landlord post and Head of Visitor Economy post will remain vacant and funded, pending the outcome of the above review.
- 4.5 The Service Director of Strategy and Change (Grade 13) left the Council on 27 January 2019, therefore a review has taken place of this area. The below interim changes have been progressed with a view to the below proposed permanent arrangements taking place with effect from 1 April 2019.
- 4.6 The Service Director of Strategy and Change post will subsequently be deleted. The responsibilities and accountabilities of this post will be aligned as appropriate to the Director of Governance, the Head of Business Management (to be redesignated the Head of Business Change) and also to a newly created post of Head of Strategy (Grade 12).

Strategy & Change Service	Permanent Arrangement
Mayoral Support	Director of Governance via Head of Governance
Councillor Support	Director of Governance via Head of Governance
Elections & Electoral Referenda	Director of Governance via Head of Governance
Information Governance	Director of Governance via Head of Governance
Organisational Development	Director of Education (SEB Senior Responsible Officer) via Head of Governance
Register Officer & Coroner	Director of City Environment*
Transformation Team	Head of Business Change
Projects & Programmes	Head of Business Change
Insight & Performance	Head of Strategy
Our Council Programme	Head of Strategy
West Midlands Combined Authority / ABCA / LEP	Head of Strategy
Strategic Partnerships	Head of Strategy

Corporate Assurance	Head of Strategy
Future Strategy Development	Head of Strategy

- 4.7 The Director of Governance will therefore now have appropriate responsibility for the below services with effect from 28 January 2019:
- Legal services
 - Democratic Services
 - Scrutiny
 - Equality & Diversity
 - Electoral Registration
 - Elections & Electoral registration/referenda
 - Information Governance
 - Councillor & Mayoral Support
 - Organisational Development
- 4.8 The Head of Public Service Reform will be redesignated Head of Governance, reporting to the Director of Governance, with responsibility for the below services:
- Democratic Services
 - Scrutiny
 - Electoral Registration
 - Elections & Electoral registration/referenda
 - Information Governance
 - Councillor & Mayoral Support
 - Organisational Development – SEB Senior Responsible Officer is the Director of Education
- 4.9 The Democratic Services Manager and Scrutiny & Systems Manager will consequently report directly to the Head of Governance.
- 4.10 Legal Services will continue to be led by the Head of Legal Services, reporting directly to the Director of Governance.
- 4.11 The Head of Business Change (formerly Head of Business Management) will have responsibility for the below services and will report to the Deputy Managing Director with effect from 28 January 2019:
- Business Support Unit
 - Executive Support (PA support/ Leaders briefing support)
 - Business Improvement
 - Business Transformation
 - Projects & Programmes
 - Political Assistants

- 4.12 The newly established Head of Strategy will have responsibility for the below services and will report directly to the Managing Director:
- West Midlands Combined Authority/ABCA/LEP
 - Public Service Reform
 - Strategic Partnerships
 - Our Council Programme & Council Plan
 - Future Strategy Development
 - Insight & Performance
 - Corporate Assurance
- 4.13 The Head of Human Resources will report directly to the Deputy Managing Director with effect from 1 April 2019.
- 4.14 The Head of Communications post has evolved and is required to continue to build strong mutually beneficial strategic relationships between the Council and its stakeholders. This post will focus on working with Councillors and senior managers to identify and cultivate stakeholder relationships that will enhance the development, transformation and reputation of the Council and the City of Wolverhampton. It is therefore proposed that the Head of Communications is redesignated the Director of Communications and External Relations (Grade 14) with effect from 1 April 2019.
- 4.15 To ensure a consistent approach is adopted across the senior management structure, and furthermore to empower Directors to lead their area of accountability and responsibility it is proposed that the two remaining Service Directors for City Housing and City Environment are redesignated Directors.
- 4.16 The Director for City Environment will report to the Deputy Managing Director and will assume responsibility for the Register Officer and Coroner, this will provide an opportunity to review the Registrar, Bereavement Services and Coroner services currently provided. It is also proposed that the Customer Services function will transfer to the Director for City Environment (after the Deputy Managing Director has completed the review of this area), effectively becoming the strategic lead for the Council's front line services.
- 4.17 The Director for City Housing reporting line will change from the Strategic Director - Place to the Managing Director.
- 4.18 The Director of Pensions post to be regraded from Grade 14 to Grade 15 (subject to Full Council approval on 3 April) to align to roles within the wider organisation with comparable depth and range of knowledge and responsibilities.
- 4.19 The Director of Pensions is in the process of restructuring the team at the West Midlands Pension Fund and has proposed to regrade the Assistant Director – Investment and Pensions to Grade 14 to align to roles within the wider organisation with comparable depth and range of knowledge and responsibilities.

- 4.20 As part of this restructure it is also proposed to create an Assistant Director – Pensions (Grade 14) to support a strengthen the structure to enable the Fund to continue to be a recognised leader within LGPS.
- 4.21 The Council will appoint a Special Appointments Committee, as set out in Part 4 of the Council’s Constitution (Officer Employment Procedure Rules) to appoint an Assistant Director – Pensions, this will consist of senior members of the City Council and the Chair and Vice Chair of the Superannuation Committee, the Deputy Leader, in his capacity as Member of the Investment Advisory Sub-Committee and two representatives from the District Councils on a politically balanced basis.
- 4.22 The Director of Black Country Transport is regraded to Grade 14. This post is currently funded jointly by Councils from the Black Country.
- 4.23 The Head of Customer Service post was deleted with effect from 1 October 2018 as the postholder left via voluntary redundancy on 30 September 2018. The Head of Service Improvement has assumed operational responsibilities as part of the transformation of Customer Services.
- 4.24 The Head of Strategic Commissioning left the Council on 3 March 2019; therefore, a review has taken place of this area. It is proposed that the Strategic Commissioning Team will be devolved back into each individual Service (Children’s, adults and Public Health), so that Directors can prioritise commissioning resources in a more agile and flexible way. Subsequently the Head of Strategic Commissioning post will be deleted.
- 4.25 It is proposed to establish a Head of Adults Improvement post reporting to the Director of Adults Services (DASS) and a Head of Children’s Improvement post, reporting to the Director of Children’s Services (DCS), both Grade 12 – subject to HAY evaluation.
- 4.26 These posts will deputise for the statutory officers (DASS and DCS) as and when required and will provide the capacity that both Directors require to lead and continuously improve their services. The newly created posts will also assume the line management responsibility for the newly devolved Commissioning Teams as well as any other services as required by their Directors.
- 4.27 The establishment of the above Heads of Service posts will result in the deletion of the Head of People post. The current postholder will have a ring-fenced priority interview for one of the newly created Head of Improvement posts.
- 4.28 The vacant Assistant Director – Schools Standards (Grade 12) has been deleted. There has been a significant impact on pupil attainment over the last few years. The Education Team is targeting its resources in a consistent way ensuring maximum impact. The additional capacity of the vacant Assistant Director post is no longer required. The current team has absorbed any work required from the post.
- 4.29 The senior managers salary scale has been reviewed as part of the Senior Management Pay Policy. It is proposed to amend the pay grades to reflect the deletion of strategic directors and the resulting increase in accountability of the redesignated Directors.

4.30 The current senior managers salary grades have been used within this report, however subject to approval the revised senior managers salary grades will be used when implementing the relevant changes.

4.31 The proposed senior management structure can be seen in Appendix 4.

5.0 Evaluation of alternative options

5.1 The development of the proposal included consultation with senior managers to explore alternative proposals.

5.2 To continue with existing arrangements would result in the retention of the current structure, without the benefit of the savings indicated and improvements to strengthen the senior management structure of the Council. Therefore, this option was rejected.

6.0 Reasons for decision

6.1 The recommendations in this report are designed to strengthen the Council's Senior Management Structure whilst making cost savings.

7.0 Financial implications

7.1 The senior managers salary scale has been reviewed as part of the Senior Management Pay Policy. It is proposed to amend the pay grades to reflect the deletion of strategic directors and the resulting increase in accountability of the redesignated Directors.

7.2 The one-off cost of redundancy and pension fund 'strain', arising from the restructuring of senior management, is estimated to be in the region of £180,000. As is usually the case this will be fully funded from capital receipts flexibility and reserves in order that the savings can flow immediately into the revenue budget. The one-off cost will be paid back within 6 months.

7.3 The restructuring and other related changes at the Council will result in an estimated annual ongoing net saving to the General Fund in the region of £350,000 based on the updated Senior Managers Salary Scale. The payback period for the cost of redundancy and pension fund 'strain' will therefore be less than one year based on ongoing annual financial implications, which is well within the 1.5 years payback period that is usually worked to. The savings of £350,000 have been incorporated into the 2019-2020 Budget and Medium Term Financial Strategy.

7.4 The restructuring and other related changes at the West Midlands Pension Fund will result in a net cost in the region of £230,000, at the maximum of the grade based on the updated Senior Managers Salary Scale, which will be fully funded by West Midlands Pensions Fund. A further review of the structure at the West Midlands Pension Fund will take place following the senior manager changes.

[MH/12032019/O]

8.0 Legal implications

- 8.1 There are no direct legal implications arising from the report. The proposed changes are devised to achieve savings and emphasis focus upon the Council's vision.

[TC/04022019/Z]

9.0 Corporate Landlord implications

- 9.1 Under these proposals the Corporate Landlord function will change reporting lines from the Director of Commercial Services to the Strategic Director of Place up until 31 March 2019.
- 9.2 A further report detailing the outcome of the review of this area with a proposed structure will follow.

10.0 Equalities implications

- 10.1 The current and new gender, age and ethnicity profiles are attached as Appendix 5.

11.0 Environmental implications

- 11.1 The revised structure strengthens the commitment to environmental matters in line with the Council's Plan.

12.0 Human resources implications

- 12.1 The human resources implications will be dealt with in line with the Council's policies. As this only relates to senior management greater flexibility will be expected from the relevant employees to reflect the agile and business led approach the Council needs to adopt.
- 12.2 Any further restructuring will be undertaken in accordance with the City of Wolverhampton Council's Restructure Policy and Procedures.
- 12.3 The Managing Director and Head of Human Resources met with Unison on 21 January 2019 to brief and consult on the proposals.
- 12.4 All Senior Managers have been briefed and consulted on the proposals contained within this report.

13.0 Health and Wellbeing implications

- 13.1 There are no direct Health and Wellbeing implications arising from this report. Health and Wellbeing remains a key priority for the Council.

14.0 Appendices

Appendix 1 – Interim Senior Management Structure (1 October – 31 March 2019)
Appendix 2 – Officer Governance arrangements
Appendix 3 – SEB Work Programme (example)
Appendix 4 – Proposed Senior Management Structure – wef 1 April 2019
Appendix 5 – Equality Impact Assessment