



Cabinet Meeting

12 November 2014

Report title	Saving £500,000 from Senior Management Costs	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Roger Lawrence Leader of the Council	
Key decision	Yes	
In forward plan	No	
Wards affected	All	
Accountable director	Keith Ireland, Managing Director	
Originating service	Strategic Executive Board	
Accountable employee(s)	Keith Ireland	Managing Director
	Tel	01902 554500
	Email	keith.ireland@wolverhampton.gov.uk
Report to be/has been considered by	Strategic Executive Board	6 November 2014

Recommendation(s) for action or decision:

The Cabinet is recommended to agree:

1. That the senior management structures attached as Appendix 1 to this report be approved for implementation on 1 January 2015.
2. That the savings in excess of £500,000 as detailed in the Medium Term Financial Strategy and Financial Implications section of this report be approved.
3. That the Leader of the Council in consultation with the Managing Director be authorised to make amendments to the structures moving forward where these are contained within the current cost envelope for senior management and appropriate consultation has taken place with relevant Cabinet Members and officers.
4. That as proposed to Council on 5 November 2014 an interim be appointed to cover the Strategic Director People until such times as a permanent appointment is made by a Special Appointments Committee of the Council.

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5. That the lead officer for Safeguarding at Service Director level (currently the Director of Public Health) be reviewed by the Interim Strategic Director People in January 2015 to ensure the role is best aligned.
6. That Cabinet approves the change of roles for three posts as follows:

Assistant Director Education - to Director of Education
Assistant Director Governance - to Director of Governance
Assistant Director Finance - to Director of Finance (Assimilation)
7. That Council be recommended to establish a Special Appointments Committee to appoint the following posts:
 - a. Director of Education (Interviews before Christmas 2014)
 - b. Director of Governance (Interviews before Christmas 2014)
 - c. Strategic Director People (sometime in 2015)
8. That the Assistant Director Finance be assimilated into the role of Director of Finance with effect from 1 January 2015.
9. That all other posts within the new senior management structure be assimilated to or ring-fence interviews arranged or advertised in line with the Council's policies and procedures.
10. That Assistant Director roles be renamed Service Director to ensure accountability on the same grade as present.

Recommendations for noting:

The Cabinet is asked to note that further reports will be coming forward to Cabinet in January as follows:

Topic	Pre-Decision Scrutiny?
1. The Corporate Plan	Yes – November/December
2. Marketing of the City Council	Yes – November/December
3. Branding of the City Council	Yes – November/December
4. Customer Service Standards	Yes – November/December
5. Internal Communications Strategy	Yes – November/December
6. Revised approach to Directions Conferences	Yes – November/December
7. Revised Senior Management Terms and Conditions of Employment (Red Item)	No – as Council Decision

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All of these are important steps in creating the One Council culture and the Confident Capable Council (C3) to deliver the Corporate Plan.

1.0 Purpose

- 1.1 This report seeks approval for a revised senior management structure for the Council. The report outlines how the Leader of the Council's target of a minimum of £350,000 saving will be met and exceeded. The report also creates the conditions to ensure a performance focused organisation with clearly accountable officer leadership.

2.0 Background

- 2.1 In 2010 a major restructuring was undertaken by the new Chief Executive. Over a period of time this led to savings in excess of £1.2 million from senior management costs.
- 2.2 This report outlines a further saving in management costs in excess of £500,000 whilst creating a new focus on performance and delivery of the City Council's Corporate Plan.

3.0 Progress, options, discussion, etc.

- 3.1 The Cabinet is recommended to adopt the new senior management structures as detailed in appendix 1 of this report.
- 3.2 The structures are based around the need to create simplicity and allow the full focus of senior management to be on delivering the Corporate Plan whilst acting as One Council to deliver a performance led business.
- 3.3 A key aspect of these proposals is to introduce more officer accountability. This is to create a structure whereby it is clear who the senior accountable officer is for each area of service delivery. Another aspect is the new Budget and Management Accountability contracts to be implemented from 1 April 2015. This will ensure that budget, employment and performance criteria are adhered to as one of every senior manager's work programme objectives.
- 3.4 The new structure also facilitates much greater strength in the corporate body to ensure business compliance which is required to maintain and improve efficiency within the backdrop of much reduced resources.
- 3.5 The Corporate Plan (currently being revised) will be the focus of the senior management and middle management objectives.

The structure proposed is based upon the simple model of:

- Corporate
- People
- Place

This structure replaces – Office of the Chief Executive, Delivery, Community and Enterprise and Education.

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- 3.6 The new senior management structure has been developed and proposed by the Strategic Executive Board to address the Council's priorities. It also takes into account feedback and outcomes of Scrutiny reviews as well as other feedback from Councillors, Senior Officers and external comment.
- 3.7 **Corporate:** Any successful large business needs to have strength at its corporate core. These proposals create additional strengthened arrangements for the Corporate core to ensure that Policy, standards, performance, financial management and governance generally are clearly managed by the Corporate body once approved by Council or Cabinet.
- 3.8 **People:** Largely reflects the existing Community directorate with some re-alignment and clarification over service areas. The issue of safeguarding is one which requires continued thought as to leadership. Whilst it is currently led from within Public Health this could detract from the Public Health agenda and therefore needs careful consideration when the interim Strategic Director of People is appointed in the New Year (subject to this report being approved).
- 3.9 **Place:** This directorate grows considerably as a result of the restructure and the proposals create much greater logic with regard to the Council's City-wide activities including environmental activity. The City Environment will bring together functions from both delivery and the existing Enterprise and Education functions. The City Assets will create additional capacity for strategic transportation as this has been identified as an area of potential external funding opportunities in coming years. The City Assets also brings together the currently split elements of Corporate Landlord to further embed this aspect of work.
- 3.10 **Education:** The report proposes the creation of a Director of Education. Some feedback suggested that this should be in the People directorate. Whilst common in some Council's it is not recommended at this time for the City. Excellent progress has begun to be made with the improvement of standards and support services which the Council offers to schools. Headteachers have welcomed this proposal and it is recommended to give more corporate support to the Education agenda.
- 3.11 **Governance:** This post is being elevated from Assistant Director level to Director level with a range of services being moved to this area to create part of the strong corporate core. The Managing Director is currently the Monitoring Officer and the creation of this role gives him confidence that Monitoring Officer responsibilities will be effectively discharged.
- 3.12 **Finance:** The Director of Finance role reflects the need for this postholder (currently Assistant Director Finance) to take a greater role in corporate work and the discharge of S151 duties. The Director of Governance and Director of Finance will work closely together to ensure the strong corporate core is aligned.

- 3.13 The Director of Finance will be assimilated (Assistant Director Finance). The roles of Director of Education and Director of Governance will be advertised internally in the first instance at a salary of £100,000.
- 3.14 All other posts will be assimilated, ring-fenced or advertised in accordance with the Council's HR policies.

4.0 Financial implications

- 4.1 The following table details the savings that have been generated from previous senior management restructures.

Table 1 – Savings already delivered

	Year	Savings £000
Senior Management Restructure	2011	810
Deletion of Assistant Chief Executive Post	2012	116
Audit Services - Shared Arrangement - Deletion of 0.5 FTE Head of Internal Audit	2012	37
Deletion of the Head of Service post - Property Service	2013	74
Deletion of Head of Schools Organisation and Development Post	2013	74
Deletion of Assistant Director Leisure and Communities	2013	113
Total		1,224

- 4.2 The financial implications of the proposed senior management restructure for 2014 have been estimated taking into account employer's national insurance and pension contributions. The total estimated saving is £502,000, the details of the saving are shown in the following table.

Table 2 – Savings from the proposed 2014 Senior Management Restructure

	Year	Savings £000
Creation of the Hub for all transactional activities	2014	116
Deletion of Chief Executive and Strategic Director Posts and creation of Managing Director	2014	195
Deletion of Assistant Director - Corporate Services	2014	132
Deletion of Head of Finance Post (from 4 to 3)	2014	60
Deletion of Head of Service - Legal Services (from 4 to 3)	2014	70
Additional budget required to align the Director of Governance, Director of Education, Director of Finance and two Heads of Service posts to the correct grades. This includes oncosts at 30%	2014	(101)
Deletion of PA post	2014	30
Creation of three Business Manager posts (to be redeployments or funded from directorate budgets)	2014	-
Total		502

4.3 The Director posts will be on a grade of £100,000 to £110,000 with four incremental points. Each of these posts is currently an Assistant Director so **no new** posts are being created and the saving of £502,000 is net after these adjustments.

4.4 The known one off costs, associated with the savings of £502,000 from senior management, amount to £596,000, this therefore represents a payback period of 1.2 years. Well within the Council's parameter of 1.5 years. It should however be noted that all the one-off costs are funded corporately the savings will be delivered immediately against current senior management budgets.

5.0 Legal implications

5.1 These proposals follow appropriate legislative requirements.

6.0 Equalities implications

6.1 An initial equalities impact assessment has been undertaken.

7.0 Environmental implications

7.1 The new structure strengthens the commitment to environmental matters by creating a service area to focus on these fundamental aspects of the Council's Corporate Plan.

8.0 Human resources implications

8.1 The human resources implications will be dealt with in line with 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.

9.0 Corporate landlord implications

9.1 The Corporate Landlord functions will all be joined up under the City Assets group within the Place Directorate.

10.0 Consultation

10.1 The Senior Managers were fully briefed on 2 October 2014 and asked to submit their feedback by close of business on 19 October. An extension to 26 October was given in some cases.

The proposals were also presented to:

- Senior Management Structures Councillor Reference Group – 15 October 2104
- Executive Team – 13 October 2014
- Unison Branch Secretary (x2) – 28 October 2014
- Joint SEB/CDB – 2 October 2014

11.0 Schedule of background papers

11.1 Report to Council on 17th September 2014.
Presentation to senior managers on 2 October 2014.
Presentation to Senior Management Restructuring Member Reference Group on 15th October 2014

Appendix A

City of Wolverhampton

Senior Management

Cabinet 10 December 2014

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Proposed structures

Our Approach



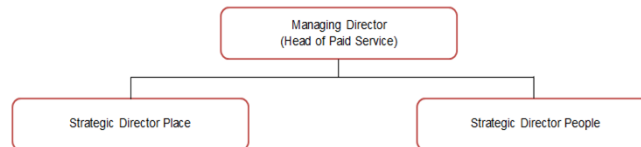
- Creating a fit for purpose management structure which delivers the Corporate Plan and makes savings
- A strong corporate core supporting a portfolio of work around themes of 'corporate' 'people' and 'place'

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Proposed structures

Strategic Executive Board

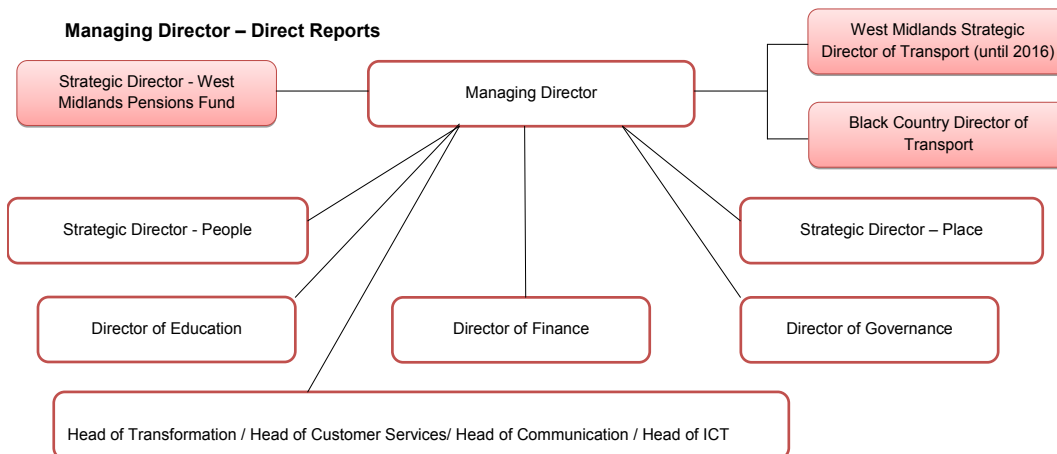


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Proposed structures

Managing Director – Direct Reports



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Proposed structures

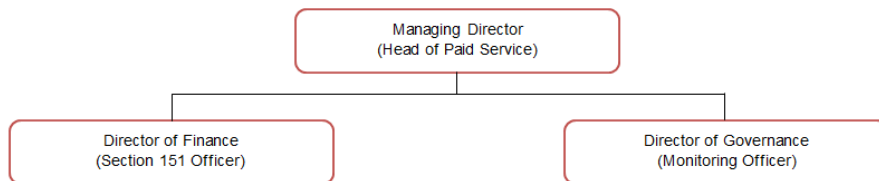
SEB	Managing Director, Strategic Director - Place, Strategic Director - People
0900 (informal SEB)	Managing Director, Strategic Director - Place, Strategic Director - People
SEB Meetings	Managing Director, Strategic Director - Place, Strategic Director – People, Director of Finance, Director of Governance, Director of Education (Strategic Director – WMPF – Ad Hoc)
SEB Strategy Meetings	Managing Director, Strategic Director - Place, Strategic Director – People, Director of Finance, Director of Governance, Director of Education, Head of Transformation, Head of Communications
Wider Leadership Team	Managing Director, Strategic Director - Place, Strategic Director – People, Strategic Director WMPF, Director of Finance, Director of Governance, Director of Education, - plus Service Directors (previously AD's), Head of Transformation, Head of Communications
Directions (to be renamed)	Agreed Directions list to be reviewed after the restructure. This is not only grade dependent make up.

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Proposed structures

Corporate Core

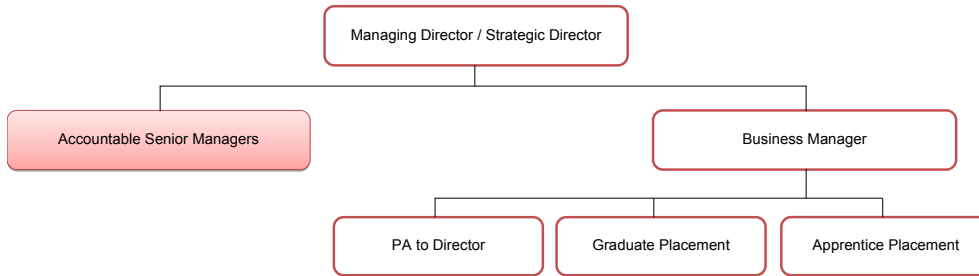


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Proposed structures

SEB Team Model *



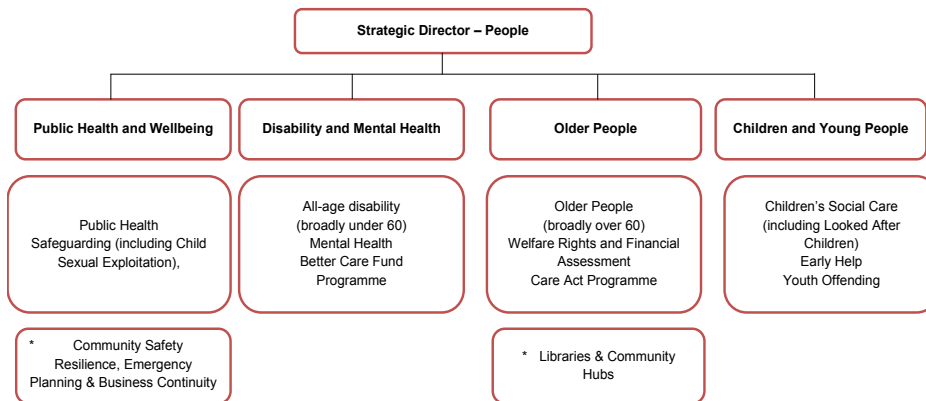
* The Strategic Director – Pensions is also covered by this model

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Proposed structures

Strategic Director – People



1. The Strategic Director People is the cross cutting lead for equality
2. * Cross cutting services
3. Safeguarding and special education needs – new closer working and matrix management arrangements being implemented
4. Corporate agreement to move towards a Joint Director with CCG with accountability for all budgets and activity that sits within the Better Care Fund

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Proposed structures

Strategic Director – Place



Issues

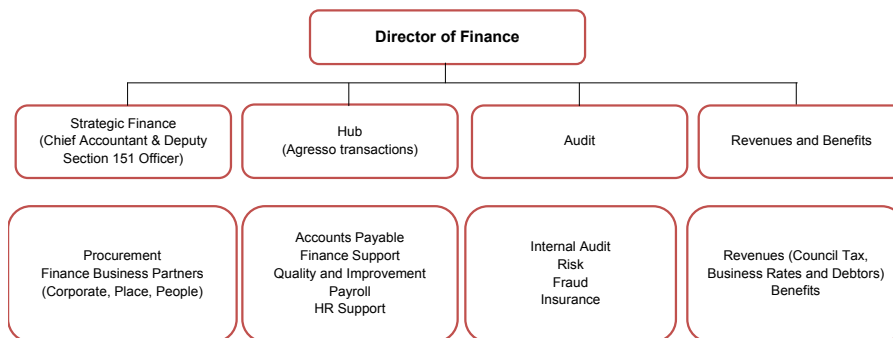
1. The Strategic Director Place is the cross cutting lead for Sustainability
2. * Cross cutting services

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Proposed structures

Director of Finance

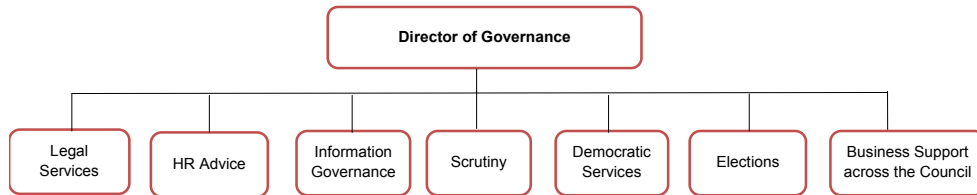


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Proposed structures

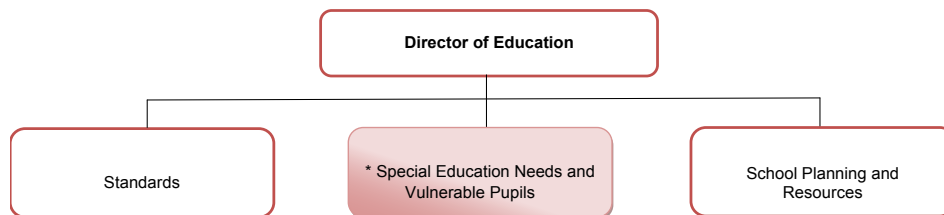
Director of Governance



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Proposed structures

Director of Education



1. * Closer matrix working and new Head of Service from within existing Council budgets

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