

REVIEW OF SENIOR MANAGEMENT STRUCTURE

1. Purpose of Report

- 1.1 To seek approval in principle on proposed changes to the senior management structure of the Council, subject to consultation with staff and Trade Unions.

2. Background

- 2.1 The Unitary Council bid (articulated in the 'Next Steps' submission) envisaged a five stage approach to the creation of the new Unitary Council. These five stages are summarised in **Appendix 1**. The adopted approach was based upon the concepts of a transition phase (from five councils to one) in the year before and year after vesting day, followed in subsequent years by a transformation phase which would fundamentally change the way the Council delivers services and works with the public and partners.

- 2.2 Stage five of the submission described the tasks to be undertaken in the period immediately following the creation of the new Council in April 2009:-

- *To complete the final stages of transition (including the permanent management structure) under the leadership of the Leader and Cabinet and the new Chief Executive;*
- *To make final appointments of the top team of Directors (including examining the potential for making joint appointments);*
- *To transform front line and support services, ensuring local delivery and consolidation and, rationalisation to deliver efficiencies and savings.*

- 2.3 Last year the Implementation Executive approved a transitional organisational structure for the Council focussed upon delivering a fully functional single Council on vesting day (April 2009) whilst maintaining service performance across the previous five councils. The current structure is attached in **Appendix 2**.

- 2.4 This transitional organisation has delivered the anticipated benefits:

- Seamless merger of the five councils;
- Maintaining service performance through the transition;
- Exceeded planned year one financial savings and efficiencies.

- 2.5 However, the transitional organisation now needs to be reviewed (as envisaged in the original bid) in order to reflect:-
- The changing demands of service transformation (as opposed to transition);
 - Lessons learned from operating the new council, eg Area Boards.
 - New opportunities for joint working with other public sector partners.
 - Urgent budgetary pressures for 2010-11 and beyond resulting from the national economic situation.

3. Current Issues

Budget Issues

- 3.1 On the 17th September, the Chief Finance Officer presented to Members the budget outlook for 2010-11 and beyond the period of the medium term financial strategy. Significant savings will be required to be made with a focus on reducing the management costs of the Council whilst seeking to maintain front line services. This will be an ongoing process over the next few years as service delivery is transformed and efficiency savings are made. However, opportunities exist to take the next step in 2010-11.
- 3.2 The establishment of the transitional senior management arrangements enabled annual savings to be made of £1.5m in the previous senior management costs of the five councils. The proposals in this report seek a further annual reduction in senior management costs of approximately £1m for 2010-11.

Service Issues

- 3.3 Current major service issues include the implementation of a new structure in the Department of Children and Education; the implementation of Phase 1 of the Focus project in the Department of Community Services; the implementation of SAP, Shared Services and the Business Management Programme led by the Department of Resources; the establishment of the decision making structure for Planning Development Control and Licensing in the Department of Economic Development, Planning & Housing; and the integration of a large in-house leisure, waste and amenity workforce into the Department of Transport, Environment and Leisure.
- 3.4 However, particular problems have emerged within the Department of Transport, Environment and Leisure which need to be addressed:-
- A projected annual under-provision of staffing budget of £0.372m;
 - Responding effectively to Area Board issues (currently 70% of which relate to TEL activities);
 - Aligning the strategic and operational management of the Council's property and IT assets with the development and implementation of the

Workplace Transformation initiative being led within the Department of Resources.

- Reduced income from Car Parking and Leisure Services charges.

3.5 The Department of Economic Development, Planning & Housing is also experiencing significantly reduced income from planning and building control activities as a result of the current economic downturn which will require actions to reduce the cost base of the Department.

3.6 More widely, the budget monitoring report to Cabinet in September has identified other areas of potential overspend in 2009-10 which requires additional savings to be made.

4. **Proposals**

4.1 The emerging Corporate Strategy is being created around the four themes of My Council, My Community, My Family and My Place. The changes to the managerial arrangements proposed in this report align the organisation to build up on these themes. In addition, opportunities have been explored with the Police and NHS Wiltshire (who both face similar pressures to the Council) to identify areas of business where joint teams should be established in order to improve co-ordination, standards of service and save money.

4.2 The proposed new Senior Management organisational structure is attached in **Appendix 3**. Central to this proposal is to establish a new Directorate of 'Place'. The details of this proposed Directorate are attached in **Appendix 4**.

4.3 It is proposed to retain the recently re-organised Department of Children and Education in its present form but not to fill the vacant Service Director post on a permanent basis at this time. Discussions are on-going with NHS Wiltshire in respect of further integration opportunities to build on the current good progress being made.

4.4 It is proposed to transfer the Leisure function (currently in TEL) to the Department of Community Services to be managed alongside Libraries, Culture and Heritage services. This will align operational management of this group of services with the responsibilities of the Cabinet Member for Leisure, Sport and Culture (Councillor Wheeler) and assist in promoting integration and co-location of these services in the proposed network of local campuses proposed in the Workplace Transformation project.

4.5 The Workplace Transformation project (which will require investment in years 1 and 2 with small scale savings in year 3 but significant savings beyond) is being led by the Department of Resources through the Workplace Transformation Board. Central to the delivery of this programme is HR (in DoR), IT (in DoR) and Property (in TEL). It is proposed to eliminate the organisational boundaries in this programme by placing Property within the Department of Resources. It is also proposed to investigate the potential of closer joint working with Wiltshire NHS on the management of the property functions in the two organisations.

- 4.6 It is proposed to transfer Public Protection services (in EDPH) to the Department of Community Services, merging with Community Safety Services (in DCS). Opportunities will also be explored for closer working with Wiltshire NHS covering the wider Public Health functions. It is also proposed to transfer Emergency Planning Services (in TEL) to the Joint Director of Public Health creating the potential for closer working with the Wiltshire NHS Emergency Planning team. This will more closely align operational management of this group of services with the responsibilities of the Cabinet Member for Health and Wellbeing (Councillor Humphries). Responsibility for Research and Intelligence will also transfer to the Joint Director, building on the Joint Strategic Needs Assessment and creating the possibility of a single integrated R&I service for Council and NHS, and eventually the Police
- 4.7 It is proposed to merge the remaining functions of the former Economic Development, Planning and Housing Directorate and Transport, Environment and Leisure Directorate into a new Directorate of Place. This new Department will bring together the mutually supporting functions of Economic Development, Land Use Planning, Housing and Transportation into a single Directorate together with the front line technical services focussed on 'place' – highways, street cleansing, amenity etc. This proposal means that the two current Corporate Directors of EDPH and TEL will be displaced, however the new Corporate Director role that has been created will need to be filled.
- 4.8 These three area based teams would mirror the three Community Area locality groups (north, central and south Wiltshire) and would be led by an Area Highways and Street Scene Manager. This manager would be responsible for delivering the majority of local highways and street management services that are the subject of interest of Area Boards and will consequently provide a much improved, joined up response, to the issues being raised by local communities. The added benefits of being organised, geographically, to match the Area Board boundaries and Community Area locality groupings being improved communication and collaborative working.
- 4.9 We would recommend implementation by 1 April. The Director of HR and Organisational Development advises that this is an ambitious but achievable timetable.
- 4.10 Alongside the proposed changes to the management structure a cultural change programme of learning and development for senior managers has now commenced to ensure that the individual and collective values and behaviour articulated in the 'What we will be like' policy document are understood and acted upon.

5. **Financial Implications**

- 5.1 The proposed senior management organisational structure will reduce annual management costs by approximately £1 million.
- 5.2 The merging of departments and greater collaboration with partners will reduce the number of Council Corporate and Service Directors and Heads of Service (and support staff). This will be achieved through the active

management of existing and vacant posts, redeployment where possible but inevitably there will be a small number of redundancies.

- 5.3 The cost of any redundancies is difficult to accurately quantify at this stage until the individuals have been identified. However, it is not anticipated that the one-off costs of any redundancies will exceed the annual savings anticipated producing a 'pay back' within one year.

6. **Recommendation**

- 6.1 Cabinet is recommended to approve in principle the proposed new senior management structure attached in **Appendix 3** subject to consultation with staff and the Trade Unions.

KEITH ROBINSON
CHIEF EXECUTIVE

The following unpublished documents have been relied on in the preparation of this Report: None

next steps...

Stage II: November 2007-May 2008 - Detailed planning

- to continue work from Stage I
- to prepare staffing structures for those services which will be subject to major initial change
- to develop detailed transitional management arrangements for district staff who will, in the interim, remain area focussed
- to identify and potentially select, lead officers to drive early change initiatives
- to prepare for elections in May 2008

Stage III - continued

- to appoint a transitional management board, including Directors of Community Services (including Adult Care), Children's Services, Resources (including Revenues & Benefits), Environmental Services (including Development Control and Planning), and Change & Integration (including Housing and Leisure)
- to appoint an interim Director of District Operations, on a fixed term, to manage district staff during the period between vesting and their full functional integration into the new authority
- to select and augment the board by statutory officers and, as necessary, by others of particular significance during the transitional period, such as human resources and information and communications technology

Stage IV: August 2008 (Vesting Day) - April 2009 - a new authority and transition

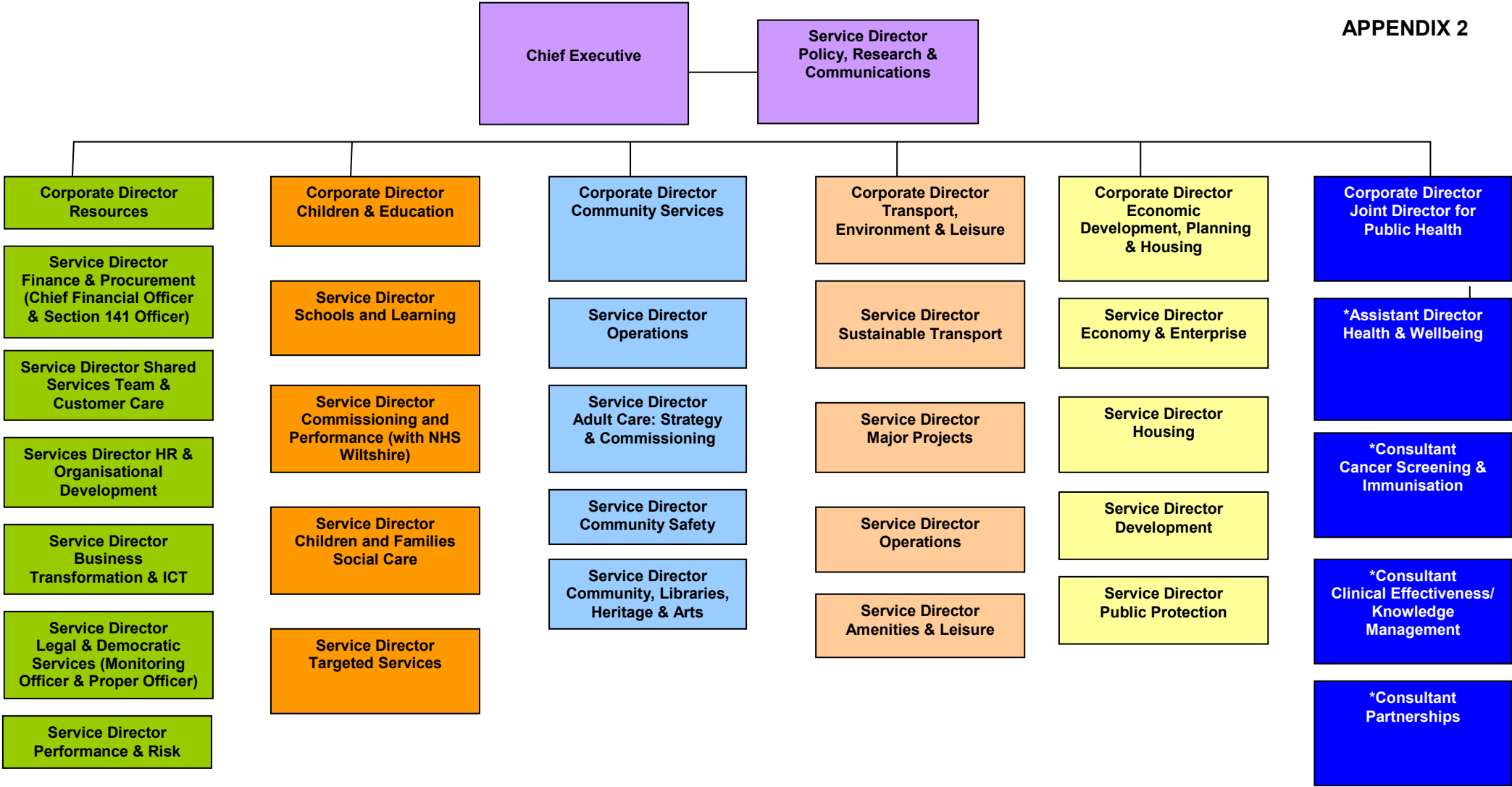
- to establish the transitional team responsible for leading the transition under the direction of the new Leader and Cabinet, including appointments to the new service structures headed by Heads of Service
- to set in hand arrangements for the appointment of a permanent Chief Executive and other senior appointments as necessary
- to develop and set the budget for 2009-10 and the Medium Term Financial Strategy for 2009-12

Stage III: May-July 2008 - Transitional Leadership

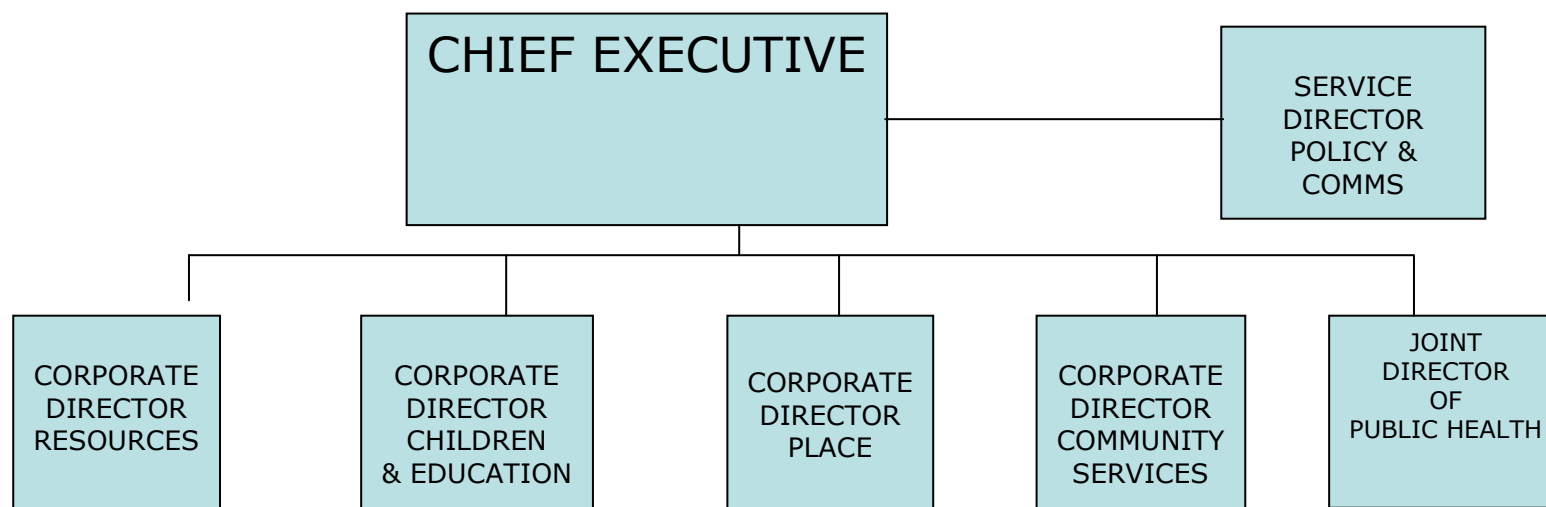
- to establish the new Council, to appoint the Leader and Executive, with portfolios covering the full range of the new authority's responsibilities and designed to complement the interim officer structure
- to appoint the current WCC Chief Executive on a transitional arrangement, to ensure initial continuity, appointed internally on a fixed term contract to April 2009

Stage V - April 2009 - transition to transformation

- to complete the final stages of transition (including the permanent management structure) under the leadership of the Leader and Cabinet and the new Chief Executive
- to make final appointments of the top team of Directors (including examining the potential for making joint appointments)
- to transform front line and support services, ensuring local delivery and consolidation and, rationalisation to deliver efficiencies and savings



Staff numbers:	862	1084	929	1033	501
Staff Gross Revenue:	155.4m	364.3m	152.3m	117.1m	27.2m
Staff Net Revenue:	47.9m	53.9m	115.4m	87.3m	11.3m



- Current Functions +
- Property (from TEL)

- Current Functions

- Housing } from
- Economy and } EDPH
- Development }
- Strategic Services }
- Neighbourhood Services } from
- Waste Management Services } TEL

- Current Functions +
- Leisure (from TEL)
- Public Protection (from EDPH)

- Current NHS Services +
- Emergency Planning (from TEL)
- Research and Intelligence (from CEx)

Staff Numbers	942	1084	1161	1216	16
Annual Revenue (gross)	164.7 m	364.3	118.4	168.9	0.707
Annual Revenue (net)	55.5 m	53.9	79.3	125.1	0.707

DIRECTOR
OF
WASTE
MANAGEMENT

NEW CORPORATE DIRECTOR OF PLACE

HEAD OF
FINANCE AND
PERFORMANCE
SUPPORT

DIRECTOR
OF
ECONOMY AND
ENTERPRISE

DIRECTOR
OF
DEVELOPMENT

DIRECTOR
OF
HOUSING

DIRECTOR
OF
NEIGHBOURHOOD
SERVICES

DIRECTOR
OF
STRATEGY

DIRECTOR
OF WASTE
MANAGEMENT
SERVICES

- Strategic Planning
- Economic Development
- Regeneration Initiatives
- Climate Change

- Planning Development Control
- Planning Enforcement
- Building Control
- Conservation (Built Environment)

- Housing Strategy
- Housing Options
- New Housing
- Private Sector Housing
- Housing Management
- Choice Based Lettings

- Local Highway and Streetscene Management
- Area offices
- Weather Emergencies
- Drainage
- Public Realm Management
- Markets, Fairs
- AONBs
- Countryside Services
- Rights of Way Management
- Corporate Vehicles Plant and Equipment

- Corporate Capital Programme Management
- Transportation Policy and Programmes
- Highways Development Control
- Highways and Transport Commissioning
- Highways Asset Management
- Highways and Transport Construction
- Bridges and Structures
- Highways Specialist Services
- Public and Passenger Transport

- Waste Policy and Strategy
- Waste Services Commissioning
- Waste Collection
- Waste Disposal
- Recycling
- Waste Contracts
- Joint Authority working