

SUBJECT:	Leadership Team Re-design
MEETING:	CABINET
DATE:	9 August 2017
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

1.1 The purpose of this report is three-fold:

- To re-set the senior officer leadership of the Council to address the consequential impact of the recent appointment to the Chief Officer for Children and Young People;
- To align changes as closely as possible to the emerging policy and strategic agenda set out in the Administration's manifesto and Cabinet portfolio responsibilities; and,
- To modify the leadership pay structure at Head of Service level in order to address issues of equity and bring closer comparability with regional equivalents.

2. RECOMMENDATIONS:

2.1 That cabinet approves the following structural adjustments:

- The deletion of the Head of Policy, Governance and Engagement post which carries the statutory Head of Democracy accountability;
- The deletion of Head of Economy and Enterprise post;
- The deletion of the Policy and Improvement Manager post;
- The deletion of the Head of Property Services and Facilities Management post;
- The deletion of the Head of Community Delivery post;
- The post known as Chief Officer, Enterprise be re-assigned as Deputy Chief Executive, with responsibility for Enterprise and subject to the recommendation of the Democratic Services Committee and subsequent approval by Council, be designated as the statutory Head of Democracy;
- To establish a Head of Business Planning & Redesign post, to be funded from the Future Monmouthshire budget reserve for the remainder of 17/18 and into 18/19 before it becomes a core budget consideration;

- To establish a Head of Enterprise and Community Development post, with responsibility for Economic Development, Youth Enterprise, business transition, Museums and oversight of a new Community Development Office;
- To establish a Head of Policy and Governance post, with responsibility for Democracy & Scrutiny, Data, Business & Member Support, Community Hubs, Communications and Improvement; and,
- To establish a Head of Commercial and Integrated Landlord services post, with responsibility for developing the council's strategic commercial offer and whole authority landlord service; and incorporating Property, Assets, Estates, Procurement and Energy,

2.2 These changes will strengthen the Councils performance in several significant areas.

- Consistent and sequenced governance with heightened focus on option appraisal, evaluation and meaningful engagement;
- Organising officer resources into a Community Development Office which brings together place-based approaches, volunteering, external partnerships and engagement. This will align with the new Social Justice and Community Development cabinet portfolio;
- Organising officer resources into a Commercial Office bringing together one whole-authority 'landlord' approach (in place of our current property maintenance and estates functions) and a whole authority approach to commercial activity;
- Creating the right conditions for a new sustainable and resilient operating model. Indications suggest that a further c£14 million of cost reduction will need to be planned and secured over the next 4 years.

2.3 That cabinet endorses an adjustment to the core Head of Service tier, assimilating posts on grade bands D & E to C to address issues of equity and parity and respond to threats posed to our recruitment and retention of quality officers, as a result of comparable market pay.

3. KEY ISSUES:

Adapting strategy

3.1 Future Monmouthshire is an approved policy position that enables delivery against our core purpose - *creating sustainable and resilient communities*. Our relationship with and understanding of our place is at the heart of this. Our council needs the means to understand the changes that will occur in the future. This means continuing to build evidence, insight and understanding

around 'what matters' – now and for the future in keeping with commitments to the Wellbeing of Future Generations.

- 3.2** Our approach cannot be one of simply understanding the ambitious outcomes we seek for our county. New ends, require new means and as such, understanding and investing in the mechanisms, methods, processes and agencies that will advance and accelerate progress, is critical. New approaches that support the development of soft assets and tools – data, business insights, ideas, engagement, capacity building, social capital development and civic participation – are the very things that will enable us to optimise the value of land, buildings, physical infrastructure and connectivity.
- 3.3** The financial situation of the council and the need to find >£14m over the medium-term is our context. The task is to strengthen today by reinventing the core operating model whilst simultaneously creating tomorrow's core business.
- 3.4** There is a new administration, refreshed priorities and a manifesto which captures the need to drive forward and accelerate the pace of the above. Whilst this is just the start of that process, this report makes an early contribution to laying the foundations to make a success of this approach.

Re-aligning structures

- 3.5** In view of the constant stream of challenges upon our county – demographic, social, technological, environmental and economic, we need to equip our council to continuously adjust and evolve. There can be no such thing as fixed structures and it has been accepted since the first structural re-alignment brought by the Chief Executive in 2010, that if our council is to remain responsive, relevant, viable and adaptive; and, in tune with the ever-shifting needs and priorities of our communities - a permanent state of transition must prevail. A recipe for short-term survival is not enough – long-term sustainability is the goal.
- 3.6** With the recent appointment of the former Head of Policy, Governance and Engagement to the role of Chief Officer, Children and Young People, a natural opportunity presents to think forward. Key features are:
- A need to re-assign (rather than re-appoint to) the statutory Head of Democracy accountability and ensure a more even spread of responsibilities across the now condensed Senior Leadership Team;
 - A desire to refresh the emphasis on governance and create stronger connections into democracy, improvement and citizen engagement;
 - To enhance core capability around data and business intelligence;

- To align core capacity around community development and place-based approaches;
- To develop a whole-authority commercial strategy, embedded in which is an integrated 'corporate landlord' bringing together core elements of our physical and revenue generating assets;
- Bring more focus to delivering on the Future Monmouthshire programme

3.7 The structural changes required to enact the above, are:

- The deletion of the Head of Policy, Governance and Engagement post which carries the statutory Head of Democracy accountability;
- The deletion of Head of Economy and Enterprise post;
- The deletion of the Policy and Improvement Manager post;
- The deletion of the Head of Property Services and Facilities Management post;
- The deletion of the Head of Community Delivery post;
- The post known as Chief Officer, Enterprise be re-assigned as Deputy Chief Executive, with responsibility for Enterprise and be designated as the statutory Head of Democracy. This is subject to recommendation of the Democratic Services Committee onto full Council for consideration and endorsement;
- To establish a Head of Business Planning & Redesign post, to be funded from the Future Monmouthshire budget reserve for the remainder of 17/18 and into 18/19 before it becomes a core budget consideration;
- To establish a Head of Enterprise and Community Development post, with responsibility for Economic Development, Youth Enterprise, Community Education, business transition, Museums and oversight of a new Community Development Office;
- To establish a Head of Policy and Governance post, with responsibility for Democracy & Scrutiny, Data, Business & Member Support, Community Hubs, Communications and Improvement; and,
- To establish a Head of Commercial and Integrated Landlord services post, with responsibility for developing the council's strategic commercial offer and whole authority landlord service; and incorporating Property, Facilities, Estates, Procurement and Energy,

Adjusting pay

- ### **3.8** In order to complement the above structural changes, there is a need to align and equalise pay for those Head of Service level posts that currently fall within and across grade bands D&E. the proposal is to create consistency with other Heads of Service posts which are currently graded at Band C. In addition, there have been several recent examples, such as those appended to this

report, where neighbouring authorities have advertised directly comparable Head of Service posts on a salary range of £73,840-79,515. If pay equity internally and externally cannot be achieved, there is a significant continuing threat posed to our ability to firstly retain quality officers, secondly, to recruit talent in the future and lastly, to develop robust succession arrangements.

3.9 The attached Pay Policy and appendix sets out the posts currently falling within grade bands, D, E which it is proposed to bring alongside those already falling within grade band C. Whilst this is a modest investment, met in full through re-assignment (and not re-appointment) of the Head of Policy, Governance and Engagement duties and statutory democracy responsibilities - it will pay dividends in ensuring our pay grades remain competitive and our people feel valued. For completeness and with the changes above reflected, these are:

Head of Tourism, Leisure & Culture Head of Commercial Office & Corporate Landlord Head of Planning, Housing & Place Shaping Head of Enterprise and Community Development
Head of Waste & Street Services Head of Business Planning & Redesign Head of Policy and Governance

4. REASONS:

4.1 The reasons for the proposals set out in this report are:

- Begin aligning forward strategy with staffing structures to ensure fitness for future
- Fair distribution of roles and responsibilities across the condensed leadership team, with each member holding a statutory accountability with the Deputy Chief Executive enacting Head of Democracy role
- Financial context and need to adjust to 'new norm' financial reductions, the second instalment of cost reduction, which is a further >£14m over the next four years
- Create the new conditions and structure and delivery mechanisms to align with the outcomes that the Administration is signalling to be important
- Equity in pay across Heads of Service – with a modest investment providing the best chance of retaining quality officers, recruiting talent where openings may occur in the future and adequate succession planning

5. RESOURCE IMPLICATIONS:

5.1 In relation to Human Resources implications, the process to be enacted will be as follows:

- The new posts will be all be advertised in line with current policy and practice
- The restructure process would see those post-holders who face having their posts potentially deleted from the proposed structure, being placed 'at risk' of redundancy and being 'ring fenced' for the new posts in the structure.
- Informal and formal consultation will take place with all those directly affected. This is usually for a defined period and would involve sharing the new job role descriptions with staff, advising on likely timescales /implementation date of new structure etc. and offering support alongside the process such as consultation with Trades Unions
- At risk interviews and relevant support to be provided.
- Expressions of interest for the new posts requested from those 'at risk' - based on the job role descriptions
- Interviews held for the new posts by panel
- Anyone who is 'displaced' is made redundant should they not secure alternative employment.

5.2 Detailed examination of pre and post structure changes are provided in Appendix 1. Financial implications are set out overleaf:

Financial Consequences (based on top of grade assumption)

Post Deletions (Savings)	Salary	NI & Super	Total
Head of Policy, Governance and Engagement	-71,393	-23,560	-94,953
Head of Economy and Enterprise	-51,632	-16,901	-68,533
Policy and Improvement manager	-42,899	-13,825	-56,724
Head of Property & facilities Management	-56,661	-18,698	-75,359
Head of Community Delivery	-60,627	-20,007	-80,634
Sub Total	-283,212	-92,991	-376,203
Post Additions (Costs)			
Head of Enterprise and Community Development	65,160	21,503	86,663
Head of Policy & Governance	65,160	21,503	86,663
Head of Commercial & Integrated Landlord Services	65,160	21,503	86,663
Head of Business Planning & Redesign	65,160	21,503	86,663
Sub Total	260,640	86,011	346,651
Post Regradings (Costs)			
Head of Tourism, Leisure and Culture	4,533	1,496	6,029
Head of Planning, Housing and Place Shaping	4,533	1,496	6,029
Head of Waste & Street Services	8,499	2,805	11,304
Sub Total	17,565	5,796	23,361
Total	-5,007	-1,183	-6,190

- 5.3 Whilst exact implications are difficult to state given uncertainty attaching to who may or may not be successful in a recruitment process, as such the above example does not prejudge that process or any anticipated redundancy costs. Cabinet can comfortably expect this proposal to be cost neutral at worst given that 5 leadership positions are being deleted and 4 are being created.
- 5.4 The above is anticipated to introduce a £6k reduced cost, although in practice if the Head of Business Planning and Redesign post is to be funded from Future Monmouthshire reserve funding then the revenue effect until the end of 2018-19 would be an enhanced saving of £93k.
- 5.5 There is no financial benefit, direct or indirect, flowing from this report attaching to the Chief Executive or any of the four Chief Officers of the Council.

6. FUTURE GENERATIONS AND EQUALITY IMPLICATIONS:

- 6.1 The report details the need to be fit for future and sets out what it will take to shift beyond the capability of the council to survive – to a future where both county and council, thrives.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS

- 7.1 The appointment will reinforce people and organisational development knowledge and capacity within the senior leadership cohort and this will contribute significantly to our collective safeguarding capability.

8. BACKGROUND PAPERS:

- Approved Pay Policy 2016/17

9. AUTHOR:

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APPENDIX 1: Re- Aligning Strategy and Structure - HEAD OF SERVICE STRUCTURE CHART

Existing Structure (2016-17 basis)

Proposed Structure

Band B (Pts 1-4)	Salary	Oncost(33%)	Total	
Pt 4	71,393	23,560	94,953	
Pt 3	70,260	23,186	93,446	
Pt 2	69,126	22,812	91,938	
Pt 1	67,993	22,438	90,431	
Monitoring Officer				Monitoring Officer
Head of Finance/Section 151				Head of Finance/Section 151
Head of Operations				Head of Operations
Head of Integrated Services				Head of Integrated Services
Head of Children's Services				Head of Children's Services
Head of People & Information Governance				Head of People & Information Governance
Head of Governance, Engagement & Improvement				(Deleted)

Band C (Pts 1-4)	Salary	Oncost(33%)	Total	
Pt 4	65,160	21,503	86,663	
Pt 3	62,894	20,755	83,649	
Pt 2	60,627	20,007	80,634	
Pt 1	58,391	19,269	77,660	
Head of Public Protection				Head of Public Protection
Head of Achievement & Resources				Head of Achievement & Resources
Head of Achievement & Extended Services				Head of Achievement & Extended Services
				Head of Tourism Leisure and Culture
				Head of Planning, Housing and Place Shaping
				Head of Waste and Street Services
				Head of Enterprise and Community Delivery
				Head of Policy & Governance
				Head of Commercial & Integrated Landlord Services
				Head of Business Planning & Redesign

Existing Structure (2016-17 basis)**Proposed Structure**

Band D (Pts 1-2)	Salary	Oncost(33%)	Total
Pt 2	60,627	20,007	80,634
Pt 1	56,661	18,698	75,359
Head of Tourism Leisure and Culture			
Head of Community Delivery			(Deleted)
Head of Planning, Housing and Place Shaping			

Band E (Spot Pt)	Salary	Oncost(33%)	Total
Pt 1	56,661	18,698	75,359
Head of Property & Facilities Management			(Deleted)
Head of Waste and Street Services			