

Sandwell Metropolitan Borough Council

7 March 2017

The following summary reports relate to those minutes of the Cabinet which contain a recommendation to the Council.

Meeting Date	Subject
8 February	New Senior Management Structure – Spring 2017
22 February	Council Finances 2017/18 to 2019/20 (Key Decision Ref. No. SMBC/1685) (see agenda item no. 7)

Report to Cabinet

8 February 2017

Subject:	New Senior Management Structure – Spring 2017
Presenting Cabinet Member:	Leader of the Council

1. **Summary Statement**

- 1.1 Prioritising the delivery of public services to residents, businesses and visitors in Sandwell is paramount to the Council. Delivering the wide range of services within the current environment of continuous change, and government driven austerity cuts, has required an adaptable and pragmatic approach in how services are structured and managed.
- 1.2 The council must respond to significant challenging economic and political changes such as the continuing austerity, devolution, the changing role of local government and the uncertainty about the impact of Brexit. Socially, growing levels of inequality and a shift demographically towards an older, more diverse population requires the Council to be continuously responsive to the changing needs of the community.
- 1.3 Recognising the challenging external environment and the ambition that Cabinet and Management Board have for a new Vision for the Council, it is now necessary to bring forward a report to Cabinet and Full Council to address current capacity at the Chief Officer level. In recent months there have been a number of departures and this has provided the opportunity to review and consider alternative senior management structures.

- 1.4 A new senior management structure for the organisation is now required to allow the necessary focus on the continuation and protection of frontline services. At the same time, any new structure will need to be functional, in that it will align to the new performance framework that will be built around the new Council Vision to measure progress against outcomes.
- 1.5 The proposed new structure places a much greater emphasis on functional management. This is to ensure that services are managed and delivered by Directors and Service Managers to high standards.
- 1.6 Objectives and outcomes identified in directorates' business plans will drive smarter decision making and clarify accountability. A much clearer link will be drawn between the Council vision, the management structure, the business plan and accountability statements for Chief Officers. The new Chief Officer appraisal process agreed at Chief Officers Terms and Conditions Committee on 12th October 2016 will agree targets, monitor progress and measure outcomes.
- 1.7 The Senior Management Board membership has also been reviewed and, in order to ensure sufficient capacity exists, the Board will broaden its membership to include areas where there is a cross cutting need for representation and leadership. This will facilitate the inclusion of more strategic and corporate related topics. It is proposed that this is achieved through the inclusion of specific Level 2 Senior Service Managers, i.e. those responsible for key strategic council matters such as Section 151, ICT and Human Resources. The inclusion of designated Level 2 Service Managers in the Senior Management Board arrangements will increase overall capacity without increasing the number or cost of Chief Officer posts.
- 1.8 As these proposals also aim to improve synergy and efficiency by bringing services together according to function, some re-design of existing Chief Officer roles will be required. Key changes are set out below and are limited to changes affecting Senior Management Board membership. These are explained further later in this report.

1.9 The key proposed changes will result in the following Chief Officer structure and Senior Management Board membership for the council:

- A new post of **Executive Director- Neighbourhoods** will have responsibility for all 'place' functions, shaping and driving the neighbourhood's agenda, and will line manage two Director posts:
- **Director- Regeneration and Planning** – leading on local regeneration opportunities and a new Assets function formed by merging corporate property activities, presently split between Planning and ACE, improving the quality and speed with which commercial property/land decisions are agreed and implemented. An existing Level 2 Service Manager post will lead Assets and be a member of the Senior Management Board.
- **Director- Housing and Communities** – Housing functions relating to council owned homes will be grouped together under this new directorate in recognition of the significance and priority that housing plays in the new Vision for the Borough.
- A new post of **Executive Director - Resources** will line manage:
- A new Director post of **Director - Monitoring Officer**, ensuring robust monitoring arrangements are in place plus three existing Level 2 Service Managers responsible for Section 151, Human Resources and ICT who will become members of the Senior Management Board.
- The statutory post of Director of Children's Services (DCS) will remain, re-named as **Executive Director of Children's Services**, ensuring the delivery of outcomes by the new council owned Trust, driving a new cross-cutting Resilient Families programme and be responsible for:

- a new permanent post of **Director – Education, Skills and Employment**, replacing the long standing current interim arrangements for Education – providing advocacy for children and families with schools and colleges and driving the employment and skills agenda, including apprentices.
- Level 2 Service Manager (Intelligent Client -Trust), funding for which will be sought from the DfE.
- The statutory post of Director – Adult Social Care, Health and Wellbeing (DAS) will remain, renamed as **Executive Director – Adult Social Care, Health and Wellbeing** and be responsible for:
 - A new post of **Director - Prevention & Protection**. This will replace the temporary Chief Operating Officer - Adult Social Care post and lead Regulatory Services in a single directorate to keep vulnerable people safe in Sandwell.
 - **Director of Public Health**. This post will remain in accordance with current legal requirements.

1.10 Underpinning these proposals is the recent experience of joint working between Cabinet Members and Directors, which has proven invaluable in developing strategies to respond to the most complex and challenging emerging social issues.

Recognising that the complexity around some of these issues is still to be fully addressed by the Council, this report proposes a structure which creates a small strategic team within the senior management team which consists of the Chief Executive and the four Executive Directors. This team will take a lead in developing the approaches for the Council to understand and then respond appropriately to these challenging agendas. Issues such as FGM, CSE, modern day slavery and housing of refugees will form part of the work plan for this team who will look to respond through coordinating work across the Council and with Partners.

1.11 As an organisation, the Council strives to employ a workforce that broadly reflects the borough and the people who live here. Improving diversity at the Senior Management tier is recognised by the Chief Executive as a priority. Through the recruitment process, applications from under-represented groups will be encouraged.

1.12 Subject to recommendation by Cabinet, full consultation with employees and Trade Unions will start immediately on the proposals contained in this report. Responses to the consultation will be considered before final proposals are presented to Full Council for approval on 7th March 2017.

1.13 When appointments to the Executive Director posts are confirmed, a designated deputy for the Chief Executive will be selected by the Leader and Chief Executive from interested post holders.

Further details are attached for your information.

2. Recommendations

2.1 That the proposed revised management structure, as set out at Appendix A to this report, be agreed as a basis for consultation with employees and Trade Unions.

2.2 That in connection with 2.1 above, the Council be recommended to approve the establishment of the senior management structure as follows:

Deletion and removal from the establishment of the following Chief Officer posts:

- Director – Neighbourhoods (vacant)
- Director – Governance (vacant)
- Director - Commercial & Business Transformation (vacant)
- Assistant Chief Executive (vacant)

Creation and establishment of the following Chief Officer posts:

- Executive Director – Neighbourhoods
- Director – Housing and Communities
- Executive Director - Resources
- Director – Monitoring Officer

Re-designation of the following Chief Officer Posts:

- Director – Regeneration and the Economy to become Director – Regeneration & Planning
- Chief Operating Officer – Adult Social Care (temporary) to become Director – Prevention & Protection and permanently established this post.

- Director – Education (temporary) to become Director – Education, Skills and Employment and permanently establish this post.

Re- naming of the following Chief Officer posts:

- Director – Adult Social Care, Health and Wellbeing renamed as Executive Director – Adult Social Care, Health and Wellbeing
- Director of Children's Services re-named as Executive Director of Children's Services.

2.3 That subject to 2.2 above and to the Chief Officers Terms and Conditions Committee being satisfied as to the suitability of the person to the role, the Chief Executive be authorised to:-

- Confirm with all post holders permanently appointed to Chief Officers posts that they will take up their re-designated and/or re-named posts when the new structure takes effect;
- Subject to discussion with the Leader, to appoint the current temporary Director of Education into the new, permanent Director – Education, Skills and Employment;
- Subject to discussion with the Leader, to appoint the current temporary Chief Operating Officer into the new, permanent Director – Prevention and Protection;
- To make immediate arrangements to advertise the new posts of Executive Director – Neighbourhoods, Executive Director – Resources. Director – Monitoring Officer and Director – Housing and Communities with interviews dates being provisionally planned with Chief Officer Terms and Conditions Committee shortly after approval by Council;
- To make arrangements for the transfer of relevant budgets, financial, staffing and other associated resources and physical assets, across the realigned services, as referred to in this report.

2.4 That subject to 2.2 above and the recruitment and advertisement of the post, the Chief Officers Terms and Conditions Sub-Committee be requested to appoint a Level 2 Service Manager, responsible for the Trust client management function.

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Chief Executive

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Senior Service Manager HR
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Service Manager HR
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3. Strategic Resource Implications

- 3.1 Over recent years, savings achieved through reductions in the council's senior management arrangements have exceeded £3 million. Through these proposals, the number and cost of established Chief Officer posts remains the same therefore no additional savings have been assumed.
- 3.2 However, the report on management arrangements in Neighbourhood Services, which accompanies this report, does deliver significant annual revenue savings of £200,000 after the management changes have been implemented, with further savings possible following a second stage of restructuring below Service Manager level.

4. Legal and Statutory Implications

- 4.1 It is the duty of the Chief Executive as head of paid service, where he considers it appropriate to do so, to prepare a report and seek approval of the Council in respect of the following:
- (1) the manner in which the discharge by the authority of its different functions is co-ordinated;
 - (2) the number and grades of staff required by the authority for the discharge of its functions;
 - (3) the organisation of the authority's staff; and
 - (4) the appointment and proper management of the authority's staff.
- 4.2 Following consultation, the agreed changes to Chief Officer roles will take effect.

5. Implications for the Council's Scorecard Priorities

- 5.2 Subject to approval, the proposals in this report would see the adoption of a new management structure which links into a further report on the new Vision for the Borough of Sandwell and priorities for the Council.

6 Background Details

- 6.1 The Chief Executive continues to monitor senior management arrangements across the council to ensure their efficiency, effectiveness and ability to respond to future challenges.
- 6.2 Whilst almost all of the challenges facing the Council are externally influenced, there have also been a number of internal audit and standards related incidents that have been investigated and, in response to these, resolutions including changes in management structures and have therefore also been considered as part of this report.
- 6.3 The proposed changes also respond to the challenging agenda (already highlighted in this report) ensuring the council can continue to support the most vulnerable in the borough.
- 6.4 When the new Senior Management structure is in place, some movement of services and teams between directorates will follow. In most cases, it is anticipated that whole teams will move intact without further restructure, however, in the event that this is not the case, changes will be the subject of further reports to Cabinet as appropriate. The full impact of the structural and functional changes will therefore evolve over time.

The key proposed changes are described below:

6.5 Neighbourhoods

A new functional area is proposed to replace the current Neighbourhoods and Regeneration & Economy structures. Over the next decade, the building of enough quality housing and the creation of strong neighbourhoods to go with them is one of the Council's biggest challenges, yet if addressed is our biggest opportunity.

- 6.6 This is seen as a key strategic driver to both strong economic and population growth – which by extension should increase social mobility and the prosperity of the borough. The new Vision recognises this therefore it is now necessary to re-shape and create the capacity and focus on the local environment within Senior Management to respond, and the Executive Director – Neighbourhoods will lead on this important, cross cutting work.
- 6.7 The new Neighbourhoods function will be split into 2 Directorates, Regeneration & Planning and Housing and Communities with an Executive Director taking charge of the entire function and its work.
- 6.8 The new role of Executive Director - Neighbourhoods, will firstly address the audit & standards compliance issues which are highlighted by current investigations and system reviews in the Neighbourhoods directorate, and improve the quality of management oversight, often referred to as ‘management grip’.
- 6.9 Going forward, this strategic post will lead on cross cutting work to further develop locality working, developing links within communities, maximising the potential of neighbourhood offices and the whole housing offer – public and private sector.
- 6.10 Day to day management of the £136 million Housing Revenue Account (HRA) will sit jointly with this new post and the Executive Director – Resources.
- 6.11 The Executive Director – Neighbourhoods will be responsible for:

Director – Housing & Communities

Housing functions relating to council owned homes will be grouped together under a single director. The new directorate is proposed in recognition of the significance and priority that housing plays in the new Vision for the Borough. Enhancing the customer contact experience and harnessing the potential of valued community facilities will also feature as priorities for services in this new Directorate, with the majority of its 1300+ employees providing services directly to residents.

Director – Regeneration & Planning

This post, re-designated from the Director – Regeneration and the Economy post, will continue to lead and develop local regeneration opportunities. In addition, the entire corporate property function, presently split between Planning and ACE, will be brought together, under this post, and renamed 'Assets'. The need to achieve maximum efficiency from the council's buildings and land is recognised through the Facing the Future programme and this move is designed to improve the quality and speed with which commercial property/land decisions are agreed and implemented.

Within the existing Neighbourhoods directorate, a detailed review of management structures below Director level has taken place, based on the proposed new Neighbourhoods Chief Officer arrangements, and proposals will be presented to Cabinet, subject to approval of this report. The current Interim arrangements in Neighbourhoods will therefore discontinue in due course.

6.12 Adult Social Care, Health and Wellbeing

Bringing Adult Social Care, Public Health and Regulatory Services together into a single directorate has given the Council the opportunity to reshape services, to ensure that they are fit for the future. At the same time, synergies between teams have been exploited, all with the intent to keep vulnerable people safe in Sandwell. These current Chief Officer structural arrangements for Adults Social Care, Health & Wellbeing, which were approved by Council in April 2015, already provide structure similar to that now proposed for other areas of the council.

The current Director – Adult Social Care, Health and Wellbeing will be re-named as Executive Director – Adult Social Care, Health and Wellbeing, reflecting the inclusion of this post in the Executive Director group, and will continue to line manage the Director – Public Health and a re-designated Chief Operating Officer.

The national agenda is challenging, with Health undergoing the most fundamental reform changing both the nature of services and relationships involved. The Executive Director – Adult Social Care, Health and Wellbeing will continue with cross cutting work to lead on ensuring Sandwell plays its part in this change activity, obtains maximum value from the £179 million gross budget whilst also ensuring the importance of protecting local people from harm is recognised through regulatory activities.

This agenda is driving the need for some changes in the way responsibilities are structured, particularly in respect of prevention and protection services supporting the 'Safer Sandwell' agenda, and this restructure provides the opportunity to consolidate this activity in one directorate. It is proposed that the current temporary director level Chief Operating Officer post is re-designated to a permanent post of Director – Prevention and Protection, and that the current post holder continues in this new permanent role subject to the Leader and Chief Executive being satisfied as to the suitability of the person for the role.

The Director – Prevention and Protection will strengthen focus on the Safer Sandwell agenda, ensuring the benefits of knowledge share and joint working are further maximised by bringing together and leading teams from across the council. It is proposed that existing expertise within Adult Social Care, Health and Wellbeing is combined with other services and activities aimed at preventing abuse and harm, bringing together for example taxi licensing, regulatory services and domestic violence service.

6.13 Resources

The departure of the Director of Governance and Assistant Chief Executive has led to a number of temporary arrangements which this report now seeks to address. It is recognised that sufficient capacity, at the appropriate level is established to reflect the breadth of services that operate within corporate resources, and the reliance on the quality of these by the rest of the Council. It is therefore proposed that a new role of a Executive Director of Resources is established to lead the function.

The Executive Director – Resources will also lead on new cross cutting work to identify and follow opportunities to attract inward investment for Sandwell, including opportunities that might exist from overseas investors. More than half of the gross corporate budget of £64 million is income based and continued focus to both protect and grow this position is necessary, as is the need to maintain robust support on financial management and planning across the council.

Reporting to the Executive Director post will be a new post of Director – Monitoring Officer. Recent events have highlighted the need for robust Monitoring arrangements at the appropriate level. Responsibility for Legal, Registrations and Governance services will also line report into this post.

The Executive Director - Resources will also have responsibility for existing Level 2 Service Managers leading Finance, HR and ICT services, all of which have been identified for inclusion on Senior Management Board, reflecting the strategic importance of the functions and the reliance on these across all areas of the council.

A structural review of other management roles within Resources has taken place, based on the above proposals, to ensure that there is sufficient capacity and resilience to support the Council to raise standards and performance and achieve the Vision. A report will be presented detailing these changes in due course, subject to approval of this report.

6.14 Children's Services

The current Chief Officer structural arrangements for Children's Services currently provide a structure similar to that now proposed for other areas of the council, however, the formation of the new Children's Trust and the transfer of the post of Director – Children's & Families (subject to consultation) changes the landscape and the council must respond to this.

When the Trust goes live, under statute, the council must continue to employ a Director of Children's Services (DCS) and will retain statutory responsibility for Children's Services. Services currently under the remit of the DCS that will not transfer into the Trust also respond to the council's statutory responsibilities through services provided. Plans led by the DCS are now at advanced stages to ensure that Children's Services are not interrupted by the transfer of services from the Council into the new Trust, and that robust Trust performance monitoring arrangements are established.

Going forward, it is recognised that this functional area will have a significant role in helping the council deliver the Vision. The need to develop cross cutting strategies aimed at building resilience in families is key if, over time, there is to be an impact on intergenerational poverty within the borough. The DCS will lead this area of work.

Reporting to the Executive Director – Children’s Services will be a re-designated post of Director – Education, Skills and Employment (previously established as interim Director – Education). Responsibility for Education will remain, however, the broader remit will facilitate a new approach to driving the Education sector to deliver, aligned to the skills and employment demands of Sandwell, through a commissioning approach. By bringing together the Council’s work on Education with Skills, it is envisaged that a much stronger and clearer proposition on skills will be created for school leavers and young people, even more so now that the Apprenticeship Levy is set to launch in April 2017. Key to success in this area will be developing shared understanding, ambition and partnership working between Sandwell Schools, Academies, Sandwell College and the Council therefore aligning the education and skills agenda under one Director will allow the Council to maximise the social value that could be gained by this opportunity.

There are also sizeable challenges to be addressed over the next decade relating to school places and levels of attainment which, together with the above, support the proposal for a permanent senior management arrangement to replace the longstanding temporary arrangement. It is therefore proposed that the current temporary post of Director - Education is re-designated to a permanent post of Director – Education, Skills and Employment and that the current post holder continues in this new permanent role subject to the Leader and Chief Executive being satisfied as to the suitability of the person for the role.

Also reporting to the Executive Director – Children’s Services will be new post of Level 2 Service Manager who will lead, an ‘intelligent client’ team to monitor the performance and outcomes from the new Children’s Trust. As the costs arising from the contract monitoring arrangements will arise directly as a result of the DfE’s decision that a Trust will be formed, these will form part of the funding bid to the DfE.

6.15 Diversity of Senior Management

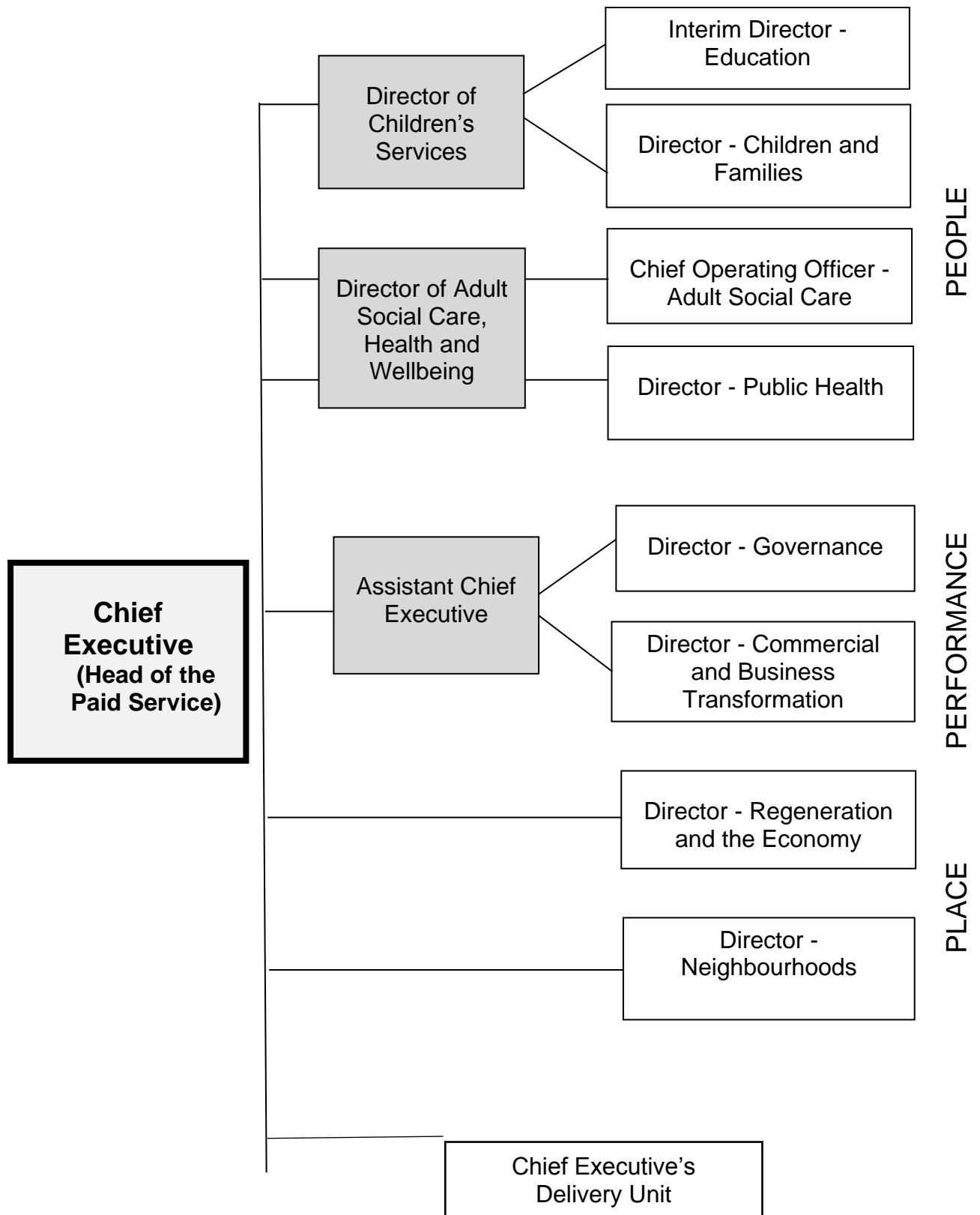
As an organisation, the Council strives to employ a workforce that broadly reflects the borough and the people who live here.

Improving diversity at the Senior Management tier is recognised by the Chief Executive as a priority. Through the recruitment process, applications from under-represented groups will be encouraged.

Senior Management Equality Profile - November 2016 (including interim Directors)

	Male	Female	Total	BME	% Male	% Female	% BME
Director Level	9	2	11	2	81.8%	18.2%	18.2%
Service Manager Level 2	9	2	11	3	81.8%	18.2%	27.3%
Service Manager Level 1	14	18	32	3	43.8%	56.3%	9.4%
Grand Total	32	22	54	8	59.3%	40.7%	14.8%

Appendix 1 – Management Board (Current)



Appendix 2 – Management Board – Proposed

