

Report to:	Cabinet	Date of Meeting:	5 December 2019
Subject:	Senior Management Arrangements		
Report of:	Chief Executive Chief Personnel Officer	Wards Affected:	N/A
Cabinet Portfolio:	Corporate Resources/Chief Executive		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

The purpose of the report is to facilitate a new Senior Management Structure at a key strategic level given the recent recruitment of the Chief Executive and the continuing need for the Authority to meet existing and future challenges. Changes are deemed necessary to facilitate the increased demands facing the council, increasing challenges in key services, most notably Children's Services and Adult Social Care, creating stronger reporting lines, with an appropriate number of direct reports, and to allow the Chief Executive to adopt an appropriate concentration on strategic issues.

Cabinet are asked to authorise structural changes and recruitment as defined in this report and to recommend remuneration levels to Full Council (such remuneration levels being over £100,000). Recruitment as required will be within existing arrangements and will be for the Employment Procedure Committee.

Recommendation(s):

1. That the post of Director of Social Care and Health which was formerly held by the Chief Executive prior to his recruitment is deleted
2. That posts of Executive Director of Adult Social Care and Health and Executive Director of Children's Social Care and Education be formed at salary level at HAY 1 (such salary level subject to the Pay Policy), which both have recommended level of remuneration over £100,000 (the salary over £100,000 to be approved by Full Council in accordance with the constitution). Recruitment of these posts will be a matter of open recruitment by the Employment Procedure Committee.
3. The amendment of two permanent Executive Director posts, one to form the post of Executive Director Place and the other Executive Director People. Such salary levels will remain unchanged at HAY 1. Amendment of these posts is subject to consultation with the individuals involved in accordance with normal Council HR processes. These are not new posts but reflect a refocus of responsibilities. Cross and without portfolio working will still be required as necessary.

4. The formation of a new post of Executive Director of Corporate Resources and Customer Services at HAY 1 and the deletion of the post of Head of Corporate Resources (such remuneration level over £100,000 and subject to approval by Full Council in accordance with the constitution). This post will be subject to an assimilation.
5. The current temporary arrangement of the Executive Director (Without Portfolio) will continue on a temporary basis to February 2021 as the Council has secured additional funding from the Combined Authority to support additional projects which require capacity. The post will be re-titled Executive Director (Without Portfolio).
6. The alignment of services and posts below Executive Director level to be in accordance with Annex 1. The Chief Executive, in consultation with the Leader, be authorised to make any necessary changes in alignment of services and posts below Executive Director level, however, it is not anticipated that immediate changes in established posts below will be necessary to existing Head of Service posts.

Reasons for the Recommendation(s):

To provide for a Strategic Management Structure which will enable the delivery of the Core Purpose and Council objectives at both an operational and strategic level.

Alternative Options Considered and Rejected: (including any Risk Implications)

As would be expected the demands and challenges faced by local government and Sefton MBC continue to increase and evolve, therefore it is essential that the senior management structure reflects this. These proposals coincide with the recruitment of the new Chief Executive.

What will it cost and how will it be financed?

(A) Revenue Costs

The increased costs of the substantive posts in this structure amount to £0.175m. It is proposed the cost associated with the Executive Director of Corporate Resources and Customer Services (£0.027m) be met from existing budgets, whilst the additional costs associated with the Executive Directors of Adult Social Care and Health and Children's Social Care and Education (£0.149m) will be included in the councils 2020/21 budget and will be funded through the additional resources allocated in the recent spending review.

The Executive Director (without portfolio) will be funded by EU Exit funding that has been made available to the council of £0.49m and funding provided by the combined authority of £0.114m. Both of these sums are one-off allocations that will directly fund this post until February 2021.

(B) Capital Costs

There are no capital costs arising from these proposals

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
Normal HR processes will be followed which will include appropriate consultation and the financial implications are as set out within the report
Legal Implications:
Changes will be made in accordance with the Council's constitution and processes.
Equality Implications:
There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: The structure will enable continuing close focus to protect the most vulnerable, but provide dedicated Executive leadership with a focus on Children's Social Care / Education and separately Adult Social Care and Health
Facilitate confident and resilient communities: The structure will provide for continuing good work in this respect to enable strategic delivery
Commission, broker and provide core services: This aspect will be strengthened by the new management structure
Place – leadership and influencer: A focus will continue in Place leadership and influencing allowing the designation of a particular Executive Director
Drivers of change and reform: The will be enhanced by the adoption of a strategic approach
Facilitate sustainable economic prosperity: This structure will enable close focus on this objective with a particular strategic lead
Greater income for social investment: This will be enhanced by the strategic changes
Cleaner Greener Along with other initiatives this will be strengthened by closer reporting ties

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD5851/19) and Chief Legal & Democratic Officer (LD4084/19) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

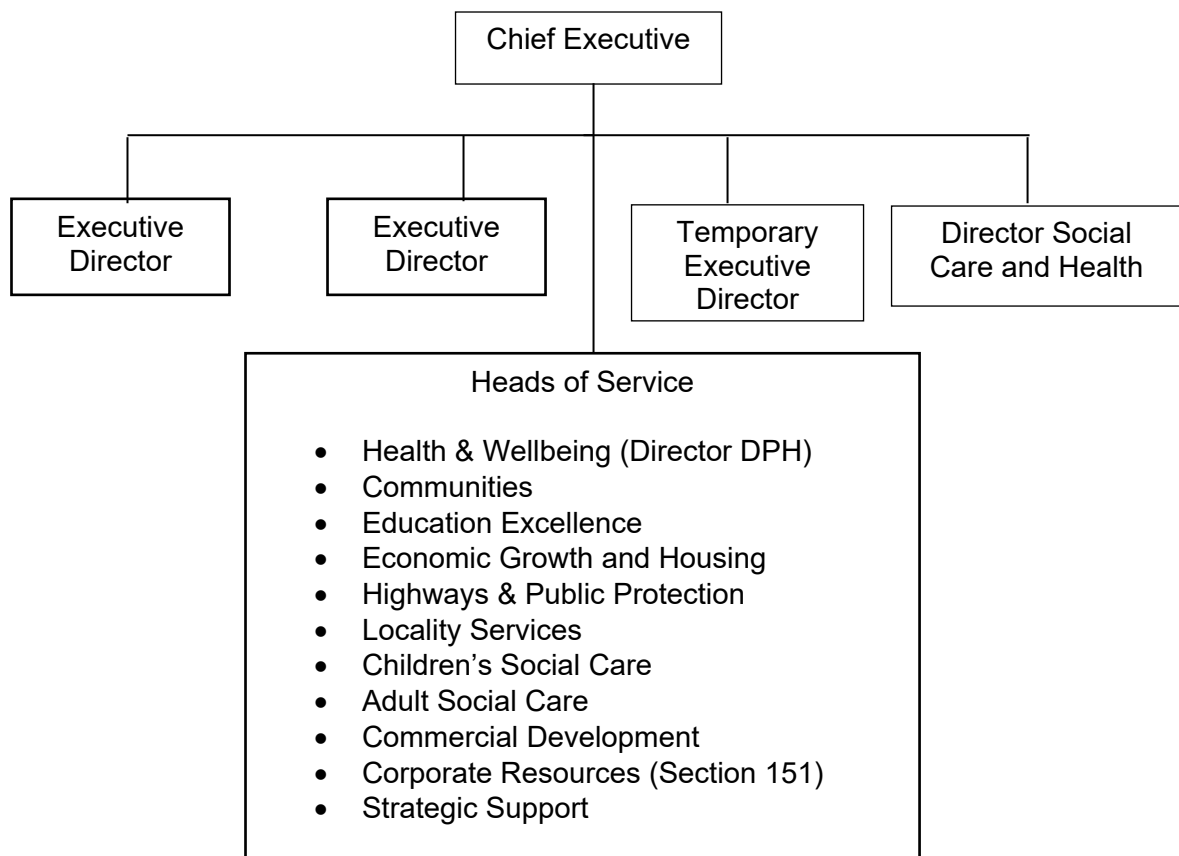
Contact Officer:	Dwayne Johnson	Mark Dale
Telephone Number:	0151 934 3679	0151 934 3949
Email Address:	Dwayne.johnson@sefton.gov.uk	Mark.dale@sefton.gov.uk

Appendices:

There are no appendices to this report

Background

1. Following the appointment of the new Chief Executive in June 2019, this has given an opportunity to reflect on the existing management arrangements and an additional opportunity to continue the development of Sefton's key strengths which are identified as:
 - Strong Financial Management
 - Excellent Community Working
 - A Committed and Dedicated Workforce
2. Senior Management arrangements were changed in 2015 to include two substantive roles and with one additional fixed term Executive Director (added later) who would support the Council, Cabinet and Chief Executive in the development of the Council's vision and priority outcomes.
3. Before the recruitment of the current Chief Executive, the structure currently is as follows:



4. Part of the original aims of the structure was to encourage cross area working, to break down silos and to ensure that management and the organisation were responsive to the Leader, Cabinet, our Elected Members and ultimately our communities.

5. In terms of the structure, it was envisaged that strategically the primary responsibility for development of strategy with the Leader and Cabinet, would rest with the Chief Executive and Executive Directors. Heads of Service would also have appropriate but limited strategic input with approximately 80% of their role being operational.
6. Organisationally, the structure facilitated an Executive Leadership Team (ELT) that comprised of:
 - Chief Executive
 - Executive Directors
 - Director of Health & Social Care (DCS and DAS)
 - Head of Corporate Resources
7. The Authority utilises a Strategic Leadership Board which encompasses the members of ELT and Heads of Service.
8. In terms of pay, from 2015 onwards the Authority adopted pay on a spot salary for Hay Grades 1 – 4, with Hay Grades 5 and 6 remaining as incremental grades.
9. After the recruitment of the current Chief Executive (who held the role of Director of Social Care and Health and undertook the 2 statutory roles of Director of Adult Social Care and Director of Children’s Services), a number of interim arrangements were put into place. The Head of Adult Social Care became the interim Director of Adult Social Care (encompassing the DAS) in terms of statutory position, and on a similar basis the Head of Children’s Social Care became the interim statutory Director of Children’s Social Care (encompassing Education). Both interim DCS and DAS arrangements allowed the Chief Executive to correctly concentrate on the key role of Chief Executive.
10. As a result of the successful evolution of the Executive Director role, the potential changes are deemed necessary in respect of how senior management is organised. The changes are to provide for clearer reporting lines (with appropriate span of control) and concentration on key strategic areas. The “without portfolio” approach has been successful, however, the need for closer reporting is deemed beneficial by the Chief Executive.
11. Any changes in relation to senior management must also be conscious of the following factors:
 - The continuance of the successful cross organisational work
 - Continuing the culture of openness in leadership and management
 - Encouraging innovation, commercialism, and team approaches
 - Focus on the key asset of our workforce and partnership working
 - The continued financial challenges
12. Importantly, the challenges which have been faced by the Authority within the last 10 years in terms of financial pressures, it is suggested will continue and it is necessary to ensure the Authorities management, is responsive and capable of delivering for the Leader, Cabinet, Council and our partners as required. This and the ever changing demand in Adult Social Care and Health and Children’s Social

Care and Education both in terms of regulatory demands, changes to function within the council and engagement with partners and the demand from residents, also facilitates the review. This has been recognised in the latest government spending round announced in September 2019.

13. Annex 1 provides a representation of the alignment of functions, although all other existing arrangements will simply fit below this strategic structure.

Changes

14. Existing arrangements provide the Chief Executive with a large number of direct reports. Given the future strategic challenges, a lesser number of direct reports is created. This will allow the organisation to operate with flexibility whilst maintaining stronger reporting lines.
15. As a result of the recruitment to the Chief Executive and the need for specific focus on the increasing demands and changes in the large service areas of Children's Social Care and Education and Adult Social Care as detailed in paragraph 12, it is recommended that two posts be formed, one being an Executive Director of Children's Social Care and Education and the other an Executive Director of Adult Social Care and Health.
16. It is recommended that these roles be at HAY 1 level £116,742 (with any necessary market supplement in accordance with the Council's existing Pay Policy). This recommendation is given when looking at comparative salaries at other roles and the necessity to attract a good calibre of recruit. These appointments are permanent roles and will be subject to an open recruitment process through the Employment Procedure Committee.
17. It is further recommended that the role of Head of Corporate Resources be deleted and a new post of Executive Director of Corporate Resources and Customer Services be formed. This role as an Executive Director will be a post which encompasses the Head of Corporate Resources role but with an enhanced strategic role (which will encompass responsibility for strategic support and the transformation elements). This is an enhanced role and the role of Head of Corporate Resources will not be replaced. It is recommended that this post be subject to an assimilation given the non continuance of the existing role of Head of Corporate Resources and the assimilation of a number of key roles within the new post.
18. As a result of the changes in emphasis within the structure, and not having "without portfolio" Executive Directors, the two permanent Executive Directors will be offered roles of Executive Director, Place and Executive Director, People, in accordance with the Council's normal HR processes. In this respect, the existing roles of Executive Director will therefore simply be amended to reflect the service areas and reporting lines which come under their remit. Existing postholders of permanent Executive Director will be assimilated after due process.
19. Constitutionally, any posts which are newly formed and attract a salary level of over £100,000 are subject to approval of that remuneration level to Full Council. The advice of the Chief Personnel Officer is that the salary levels for the roles of Executive Director Adult Social Care and Health, Executive Director Children's

Social Care and Education and Executive Director Corporate Resources and Customer Services are in line with expectations of over £100,000 and it is suggested will be advertised at HAY 1 level (any level above subject to the Council's existing Pay Policy). The Chief Personnel Officer has considered salaries which are payable in comparable posts.

20. Full Council is therefore recommended by Cabinet to authorise the salary level of above £100,000 for those roles, which the Chief Personnel Officer advises is a salary level consistent with these posts.
21. The arrangements to be put in place will build on the excellent work of the 'without portfolio' Executive Directors (who have worked successfully thematically) and this aspect as required will continue.
22. The arrangements will allow future succession planning options for the Chief Executive post when required.
23. In June 2018, an additional Executive Director was appointed on a temporary basis to support a range of strategic programmes. The Executive Director has successfully led on a number of very high profile and challenging strategic projects, including being the Council's lead on EU Exit, the Borough of Culture and involvement in a range of Combined Authority matters. Since then the Combined Authority have indicated that they would be willing to provide some revenue funding to support strategic programmes and alongside the EU Exit funding which Government has made available in order to facilitate a smooth exit (and for which the council must have a nominated lead), it is proposed that this post is extended for a further 12 months until February 2021. This post will become Executive Director (Without Portfolio).
24. Changes in job titles in respect of the structure are highlighted in Annex 1 and the job descriptions and person specifications for the posts which are changing are attached. HAY methodology has been used for all posts.

Savings and Financial Position

25. As stated within the report the existing Executive Director Posts will be funded as they are now with permanent existing budget being available. The Executive Director (without portfolio) will be funded via one-off funding for a period of 12 months until the end of February 2021 via grants that have been received in relation to EU exit and to support activity in the Combined Authority.
26. In respect of the new post Executive Director, Corporate Resources and Customer Services the additional cost of £0.027m can be funded via existing service budgets.
27. From the deletion of the existing Director of Social Care and Health post and the creation of the 2 posts in respect of Adult Social Care and Health and Children's Social Care and Education an additional budget requirement of £0.149m will be required. This sum will be included within the 2020/21 budget and will be met from the additional support being made available to those service from the spending round announced in September 2019.

Changes below High Strategic Level

28. It is suggested that in relation to the alignment of services, Annex 1 provides what the Chief Executive believes is the best reporting lines for various services, however, it is also suggested that any necessary future changes in this structure be dealt with in accordance with delegated authority of the Chief Executive and the Leader.
29. In respect of the Director of Public Health a reporting line will exist as necessary to the Chief Executive when required, although most line management will be with the appropriate Executive Director.

Consultation

30. Trade Unions and members of Strategic Leadership Board and Executive Leadership Team have been informed and consulted as necessary in respect of these changes.

ANNEX 1

