

ITEM 7 - APPENDIX B

WAVERLEY BOROUGH COUNCIL

EXECUTIVE
3RD DECEMBER 2013

Title:

SENIOR MANAGEMENT RESTRUCTURE
[Portfolio Holders: Cllrs Robert Knowles and Mike Band]
[Wards Affected: All]

Note pursuant to Section 100B (5) of the Local Government Act 1972

Annexes to this report contain exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in the specific Paragraphs of the revised Part 1 of Schedule 12A to the Local Government Act 1972, namely;-

1. Information relating to an individual; and
 3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
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Summary and purpose:

Council, on 15 October 2013, agreed the first part of the restructuring and streamlining of the Senior Management Team.

The proposed structure will achieve significant financial savings, in the context of reducing budgets and the need to protect frontline services, as well as to continue to provide a robust and resilient Senior Management Team and Corporate Governance arrangements to support the Council's commitment to being a leading authority.

How this report relates to the Council's Corporate Priorities:

The delivery of front line services is the Council's top priority.

As agreed by Council on 15 October 2013, the proposals in this report provide a Senior Management Team structure which reduces the Council's senior level costs by £132,000 p.a. whilst enabling the Council to achieve the delivery of high quality front-line services.

Legal Requirements:

The proposed structure in this report ensures that the Council meets its statutory obligations in respect of the following statutory posts:

- a. Section 4 and 5 of the Local Government and Housing Act, 1989 regarding the Statutory Duties of the Head of Paid Service and Monitoring Officer;
- b. Section 151 of the Local Government Act 1972, regarding the Statutory Duties of the Chief Finance Officer;

- c. Section 8 of the Representation of the People Act 1983, regarding the Statutory Duties of the Electoral Registration Officer; and
- d. Section 27(1) of the Representation of the People Act 1983, regarding the Statutory Duties of the Returning Officer.

Aside from the above posts, the Council has a wide discretion to put in place a senior management structure that reflects the needs of the organisation. The proposals and processes in this report comply with the Council's obligation under relevant employment legislation.

The position of postholder AE01 has been addressed, in accordance with the Council's restructuring and redeployment policies, and the restructuring exercise complies with those policies.

Under the Council's Constitution, only the full Council is able to exercise the function of confirming the appointment of the Head of Paid Service and Strategic Directors.

Background:

1. The Financial Seminar on 10 September 2013 identified the continuing financial pressures on the Council whereby the Council will face a funding gap of nearly £4m over the next four years, thereby requiring savings of circa £1m per annum. The main cause is the reduction in Government Grants.
2. The Council has already delivered £8m in savings over the last six years and has protected front-line services to Waverley's residents. This continues to be the Council's top priority in preparation for the 2014/15 Budget and beyond. The Council's focus will be on:
 - Maintaining high standards in service outcomes whilst benefitting from delivering services more efficiently and in even more innovative ways.
 - 'Investing to Save' i.e. to reduce the ongoing costs of Waverley's services
 - Reducing support costs wherever possible
3. As part of the Council's aim of reducing its support costs, Council on 15 October 2013 agreed that:

"It continues to monitor the budget closely during the remainder of 2013-14 and in light of the advice from officers on the medium term financial outlook, to agree to ask the officers to review the Senior Management Team staffing structure, with the aim of streamlining the structure and offering financial savings, so that the Executive can receive reports in the next cycle and consider if it wishes to make a recommendation on the Senior Management Team Structure to the 10th December 2013 Council meeting".
4. The aim of the review is to reduce the Council's support costs in order to give greater protection to front-line services.
5. Recognising that the process would be very time-consuming and could take until the end of March 2014, or possibly later, to implement any resulting new structure, the Council mutually agreed to the termination of employment of the Chief Executive with effect from 31 October 2013. This has facilitated a speedier review and streamlining of the Senior Management Team and achieved significant financial savings at an earlier date than would otherwise have been

delivered. It also maximises the Heads of Service and Directors' focus on front-line services.

Introduction

Shared Chief Executive Model

6. In preparing this report, Officers looked at the model of a Chief Executive shared between two authorities and examined this option with the Leadership.

Whilst there are benefits in having a shared arrangement such as information sharing and partnership work, there are distinct disadvantages. These include less accountability from a part-time staff resource, provided at a higher pay rate and requiring the host organisation to staff-up below that grade. Therefore the shared model is considered inappropriate for Waverley. It is recommended that the full attention of a Senior Director is essential for this authority so that the strategic and operational input is not diluted.

7. Officers have reviewed the Senior Management structures previously in place at the Council.

Date	No. of Senior Management Team	No. Heads of Service	Total
January 2008	5 + 2	20	27
October 2010	3	8	11
2013	3	9 (Housing role split)	12
2013 From September	3	10 (Increased by Chief Executive in September 2013 to 10)	13
Proposed	3	8	11

8. The proposals in this report would provide a Senior Management structure of three officers on the Corporate Management Team and eight full time Heads of Service, which maintains the focus on front-line service delivery. Full details of the Senior Management Team prior to the review are attached as Annexe 1.

Structure Proposals

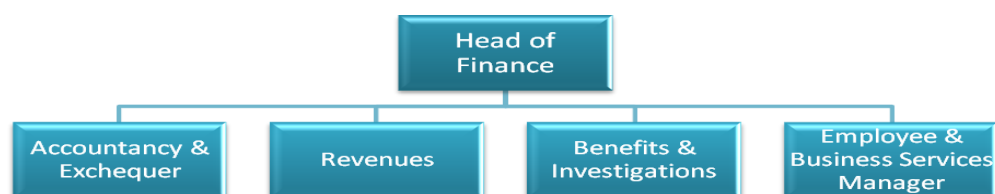
9. The following proposals at Annexe 2 give a robust and resilient Senior Management Team structure which will meet both the strategic and operational needs of the Council going forward and support the Council's commitment to being a leading authority.
10. The proposed structure is based on close working between members of the Executive and the Senior Management Team.
11. The proposed Senior Management structure will fulfil the Council's statutory requirements.
12. The cost analysis for this option is attached at Annexe 3 and shows a financial saving of £132,000 p.a.. The detail behind the organisation chart of this

proposal is outlined below and is supplemented by (Exempt) Annexe 4 which details exempt staffing issues:

- a. The Chief Executive post will be deleted;
- b. The post of Deputy Chief Executive will be re-designated as Executive Director;
- c. The statutory function of Head of Paid Service will be fulfilled by the role of Executive Director;
- d. Civic duties will be undertaken by a combination of the Mayor, other Council Members and other Officers as appropriate;
- e. The role of Strategic Director will remain unchanged but renamed Director of Operations;
- f. To ensure an effective Corporate Management Team, a third Director will be added to the establishment as Director of Finance and Resources. The current Head of Finance will assume the responsibilities of Director of Finance and Resources and will fulfil the statutory role of Chief Finance Officer;



- g. The role of Head of Finance will be retained and fulfil the role of Deputy Chief Finance Officer. It is proposed that this post be advertised externally;
- h. To create a balanced level of direct reports to this role, it is proposed that the Investigations Manager reports to the Benefits Manager; (see chart below)

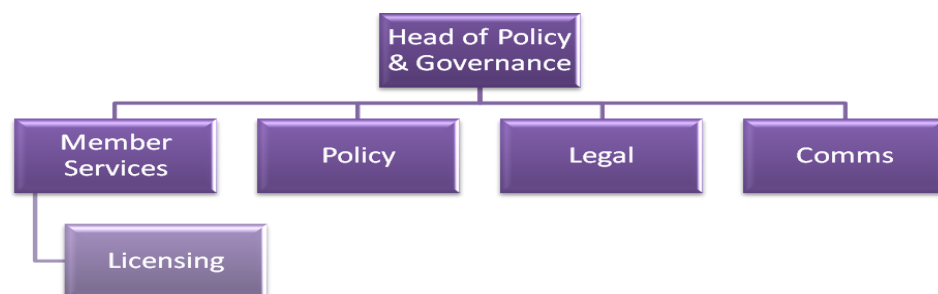


- i. The post of Exchequer Services Manager will be redesignated as Employee & Business Services Manager;
- j. The interim arrangements for the Electoral Registration Officer and Returning Officer role will continue to be fulfilled on an on-going basis by the Council's Head of Corporate Governance and Monitoring Officer who is highly experienced in electoral matters having previously fulfilled the role at Waverley;
- k. The part time Head of Corporate Governance and Monitoring Officer role will increase, on average, from two days/week to an average of 2.5 days/week, with the post holder providing additional flexibility as required during election periods and redesignated Monitoring and Returning Officer;

- l. The two Deputy Returning Officers will be the Executive Director and the Electoral Services Manager. The Deputy Returning Officer role will be part of their core responsibilities;
- m. The Electoral Services Manager will report to the Monitoring and Returning Officer;
- n. The post of Head of Democratic & Legal Services will be renamed Head of Policy and Governance;
- o. The Acting Head of Communications & Customer Service post is not in the current establishment and will cease at 31st December 2013, and the current incumbent will revert to her substantive role as PR Manager and report to the Head of Policy and Governance;
- p. Customer Service will revert to the Head of IT, Customer & Office Service as per the Establishment;
- q. The Head of Organisational Development (OD) post will be deleted, achieving further operational efficiencies by moving the OD functions of Payroll and Employee Services, Performance and Procurement under the Head of Finance reporting to a redesignated post of Employee and Business Services Manager. The current Acting Head of OD will revert to her substantive role as Democratic Services Manager and report to the Head of Policy and Governance;
- r. The OD function 'Policy' will transfer to the Head of Policy and Governance;



- s. To create a balanced level of direct reports to the Head of Policy and Governance, it is proposed that the Licensing Manager reports to the Democratic Services Manager; (see chart below)



- t. The part time role of Head of Strategic HR will continue to be provided in partnership with Surrey County Council through the Deputy Head of HR at Surrey County Council within the existing budget provision. This approach has provided high value to the Council in a cost effective way for the past four years; and
- u. The post of PA to the Chief Executive will be deleted from the establishment. This may result in a potential redundancy. The details are included in Exempt Annexe 5.

Pay Policy

13. The Council's new Pay Policy takes account of updated guidance from the Secretary of State which requires all employment packages above £100,000 to be specifically agreed by Council. Annexe 3 and Exempt Annexe 6 shows the recommended package for the Executive Director post taking account of Benchmarked information. Detail of Benchmarking exercise included in Exempt Annexe 7.

If this is recommended by the Executive, and subsequently agreed by full Council, this information will be published on the Council's website.

Summary

14. The main changes to the establishment are summarised below:

Delete

- AA01 Chief Executive
- AE01 PA to Chief Executive
- AB01 Head of Organisational Development

Redesignate

- BA01 Deputy Chief Executive to Executive Director
- BC02 Exchequer Services Manger to Employee & Business Services Manager

Create

- BA01 Director of Finance and Resources

Conclusion

15. These proposals before the Executive will contribute to the financial savings referred to in the Mid Year Budget Review report to the 1 October 2013 Executive, to a level of £132,000 p.a. and provide a robust Senior Management Team structure which will meet both the strategic and operational needs of the Council going forward and support the Council's commitment to being a leading authority.

Recommendation

The Executive recommends to Council that:-

1. The above proposals in paragraph 12 (a-u) are agreed;
2. The arrangements to fulfil the statutory functions, Head of Paid Service, Chief Finance Officer, Monitoring Officer, Electoral Registration and Returning Officer, are agreed as follows:-
 - The Statutory function of Head of Paid Service is fulfilled by the Executive Director;
 - The Statutory function of Chief Finance Officer is undertaken by the Director of Finance and Resources; and

- The current Monitoring Officer also fulfils the statutory functions of Electoral Registration Officer and Returning Officer.
3. The establishment be changed to reflect the above proposals;
 4. The new Senior Management Structure takes effect from 1st January 2014;
 5. The package for the Executive Director post in Annexe 3 and Exempt Annexe 6 be agreed;
 6. The Constitution Special Interest Group (SIG) is asked to meet in the New Year and make recommendations back to Council regarding any necessary changes to the Constitution as a result of these agreed changes;
 7. The Officers will review the effectiveness of the new Senior Management Structure and report back to the Executive in December 2014;
 8. The redundancy of postholder AE01 be agreed at a cost shown in the Exempt Annexe 5, however, redeployment will be the Council's preferred option if at all possible; and
 9. The staffing issues referred to Exempt Annexe 4 be agreed.
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Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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SENIOR MANAGEMENT RESTRUCTURE FINANCIAL DETAILS

Post	Post Title	Proposed Change	Detail of Costs		Full Year Cost/Saving (-) Incl. On Costs £
AA01	Chief Executive	Delete Post	Salary package On Costs	£128,014 £ 34,328	-£162,342
AE01	PA to Chief Executive	Delete Post			-£36,213
AA13	Head of O/D	Delete Post			-£66,757
BF01	Director of Finance & Resources	New Post	Salary Car Lump sum exp. On Costs	£78,045 £ 4,600 £ 3,902 £21,961	£108,508
BA01	Deputy Chief Executive (DCE)	Redesignated to Executive Director (ED)	Salary package On Costs Total ED <i>Less DCE</i> Salary package On Costs Total DCE	£114,547 £ 30,929 £145,476 £105,876 £ 27,943 £133,819	£11,657
BC02	Exchequer Services Manager	Redesignated to Employee & Business Services Manager			Included below*
AI01	Monitoring & Returning Officer	Additional Responsibility			£5,100
BA02	Head of Finance	Revised Salary			-£19,401
	Head of Policy & Governance	Revised Salary			£12,114
	Other potential costs*				£15,162
Total full year saving#					-£132,172

#Part of the savings will be allocated to the HRA as part of the 2014/15 Budget Process