

MIDDLESBROUGH COUNCIL

AGENDA ITEM 14

6 JANUARY 2016

SENIOR MANAGEMENT (LEADERSHIP TEAM) REVIEW

JOINT REPORT OF MAYOR, DAVID BUDD AND CHIEF EXECUTIVE, MIKE ROBINSON

PURPOSE OF THE REPORT

1. To note the proposed revised senior management structure (subject to the outcome of consultation) to strengthen the Council's focus on key areas of service and continue to drive delivery of the Strategic Plan and Medium Term Financial Plan.
2. To seek in principle approval to the statutory designations required subject to the outcome of consultation with staff and Trade Unions

SUMMARY OF RECOMMENDATIONS

3. It is recommended that:
 - i) The senior management (Leadership Team) structure indicated at Appendix 2 be noted (subject to consultation), in particular the following changes:
 - a) The deletion of the Executive Director, Wellbeing, Care and Learning post and creation of a new post of Strategic Director, Children's Services.
 - b) The merging of the Assistant Director posts (Finance & Investment and Organisation & Governance) to a new single post of Strategic Director, Finance, Governance and Support.
 - ii) The designations to statutory roles as stated below are agreed should the proposed merger at (i) (b) above be implemented following consultation:
 - Section 151 – Strategic Director, Finance and Governance (new post) (Deputy – Heads of Finance)
 - Monitoring Officer – Executive Director, Commercial and Corporate Services (Deputy – Head of Legal Services)

- Returning Officer – Chief Executive (N.B. Chair of Council for National Elections) (Deputy – Head of Democratic Services)
- iii) Council note that a revised Pay Policy Statement will be reported to a future Council meeting.

BACKGROUND

4. The existing senior management structure (Leadership Team) - Appendix 1 was approved at Executive/Council in March/May 2014. The primary focus of the Leadership Team approach was to develop a collaborative team where managers are responsible for outcomes rather than 'services'. That outcome focused approach has enabled many improvements for the town not least the investments in regeneration and the much stronger financial position due to a greater collaborative approach to savings.
5. Members will not be aware but the success of the 'Middlesbrough Manager' and 'Outcome Focus' approach has drawn the attention of the Department for Communities and Local Government (DCLG). The Chief Executive has been asked to present this Middlesbrough model at a future DCLG conference looking at good practice and recognising our innovative approach.
6. Whilst the basic senior management model is strong and performing well, there are a number of changes and external influences that require the leadership team to be reviewed and its fitness for purpose re-examined..

INFLUENCING FACTORS

Finance and Governance

7. The Executive Director, Commercial and Corporate Services has identified that the Council is carrying significant risk due to the split responsibilities around the following themes:
 - Programme Management
 - Project Management
 - Capital Monitoring
 - Revenue Monitoring
 - MTFP Processes
 - Balanced Scorecard
 - Risk Management
8. The Executive Director has proposed that these risks can be significantly mitigated through combining the two existing Assistant Director posts into a single post. A job evaluation process has been undertaken and determined that such a post would be at Strategic Director level, formal consultation on this proposal with staff and Trade Unions has commenced.

Safeguarding and Education, Health and Social Care

9. The Chief Executive and Executive Director, Wellbeing, Care and Learning have reviewed the growing demands upon a joint Director of Children's Services (DCS) and Director of Adult Social Services (DASS). It is clear that the growing Health and Social Care agenda is creating a capacity issue within the Leadership Team and, given the importance of Safeguarding and Learning and Skills within Middlesbrough, this must be addressed.
10. The existing Executive Director, Wellbeing, Care and Learning post will, therefore, be deleted and a new post of Director of Children's Services will be created to fulfil those statutory DCS duties. A job evaluation process indicates that the new post be at Strategic Director level. The Executive Director has agreed to remain in post until a new appointment can be made.
11. The Assistant Director, Adult Social Care will, therefore, report through the Executive Director, Corporate and Commercial Services, who will take the statutory DASS role.

Combined Authority and Devolution

12. The timescale for the Combined Authority and Devolution Deal is rapid. By May 2017, there will be a Tees Valley Elected Mayor and the Combined Authority will be in its second year. Whilst there is much work to do to define exactly what that may mean, it is clear that there is a need to define how the Council will interact with the Combined Authority. It is anticipated that the senior management structure will need revisiting in the next two years as a consequence.

Finances

13. The recent Government Settlement is currently being fully evaluated, however, significant cuts are evident and opportunity to further reduce management costs must be explored.

STATUTORY RESPONSIBILITIES

14. The Assistant Director, Finance and Governance carries the statutory role of Section 151 Officer and the Assistant Director, Corporate and Governance carries the statutory Monitoring Officer and Returning Officer roles. Should the current proposals be implemented, consideration will need to be given to those key roles within the Council.
15. It is proposed that the following officers would, in that event, carry those statutory duties:
 - Section 151 – Strategic Director, Finance and Governance (new post) (Deputy – Heads of Finance)
 - Monitoring Officer – Executive Director, Corporate and Commercial Services (Deputy – Head of Legal Services)

- Returning Officer – Chief Executive (N.B. Chair of Council for National Elections) (Deputy – Head of Democratic Services)

IMPACT ASSESSMENT

16. An impact assessment was undertaken as part of the development of the proposals and is attached to this report at Appendix 3. The IA found that there were no concerns that the proposals could have a disproportionate adverse impact on a group or individuals because they hold a protected characteristic.

OPTION APPRAISAL/RISK ASSESSMENT

17. Other senior management configurations are not considered adequate to address the issues and risks facing the Council. The option presented will have a significant positive impact on the Council's ability to drive the transformation of services in line with financial constraints.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

18. The proposed management structure represents an annual reduction in costs of £116,000 per year adding to the previous savings in senior management.
19. Since 2010, the number of senior managers has reduced from 22 to 11 (excluding the Director of Public Health post for comparison purposes) and costs will have reduced from £2.4m to £1.4m in the current structure.
20. The proposals will be progressed throughout 2016 and timetables for consultation with staff affected and Trade Unions will reflect the most appropriate timing to ensure service continuity. The merger of the Assistant Directors (Finance and Corporate) is currently undergoing formal consultation and should progress during January. The appointment of the Strategic Director, Children's Services will commence during the middle of the year to ensure experience and capacity is not at risk. To aid this, the Assistant Director, Adult Social Care, will transfer to the Executive Director, Corporate and Commercial Services with effect from 1 April 2016 at the latest.
21. Any appointments of Chief Officers required, as a consequence of the Review, will be appointed through the Chief Officer Appointments Committee.
22. The Council's Pay Policy Statement will be revised and reported to Council to reflect these changes.

RECOMMENDATIONS

23. It is recommended that:
 - i) The senior management (Leadership Team) structure indicated at Appendix 2 be noted (subject to consultation), in particular the following changes:

- a) The deletion of the Executive Director, Wellbeing, Care and Learning post and creation of a new post of Strategic Director, Children's Services.
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- iii) Council note that a revised Pay Policy Statement will be reported to a future Council meeting.

REASONS

24. In order to meet the current issues and demands on the Council regarding costs, risks and external factors, such as, the Combined Authority/Devolution.

BACKGROUND PAPERS

25. There were no background papers used in the preparation of this report.

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