

**SENIOR MANAGEMENT ARRANGEMENTS – UPDATE**

**FINANCE, MODERNISATION AND PERFORMANCE  
(COUNCILLOR CHRISTOPHER WEAVER)**

**AGENDA ITEM: 6**

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**REPORT OF CHIEF EXECUTIVE**

**Reason for this Report**

1. To seek the Cabinet's approval of proposals for an amended Senior Management Team model that supports the new Administration's priorities, responds to the pending retirement of the current Director of Social Services and takes account of issues raised during the consultation process.

**Background**

2. On 6 July 2017, the Cabinet agreed 'Capital Ambition' – a wide-ranging programme of "commitments for Cardiff" covering the spectrum of Council services, which includes a number of proposals that involve changing and/or improving the way in which the Council delivers services to citizens and communities.
3. A report on proposed new Senior Management Arrangements to support this policy programme was considered by the Cabinet on 21 September 2017. The proposals sought to address the Council's emerging agenda; strengthening capacity and expertise to deliver key policy priorities, particularly in the areas of social care, streetscene and technology. The Cabinet approved the proposed remodelling of the Senior Management Team on a provisional basis, subject to the outcome of a consultation process that commenced immediately following Cabinet approval, and agreed to consider a further report in November 2017.

**Issues**

**Consultation Process & Responses**

4. As part of the consultation process, those individuals affected directly by the proposals, as well as other employees, elected members and trade unions were provided with the opportunity to express their views. The Chief Executive also invited external advisors to submit comments based on their expertise in the fields of social services and digital services. In

addition, he briefed representatives of the Care and Social Services Inspectorate for Wales (CSSIW) on the proposals.

5. In response to the consultation, comments on the proposed Tier 1 and Tier 2 Senior Management Team structure and details of the services covered by each Director role were received from 34 responses, The Council's Policy Review and Performance Scrutiny Committee also made observations on the proposals; details of which are attached as **Appendix 1** to this report.
6. Details of the consultation responses, and any resulting amendments to the proposed details of services covered by each director role, are summarised as follows:

#### Evolution of the Senior Team Model

7. In terms of the proposals overall, the consultation revealed a range of perspectives, from submissions welcoming the broad thrust of the proposals to others that expressed concerns about the effects of the proposed restructure on service performance and stability.
8. In response, it needs to be re-emphasised that the proposals represent an evolution of existing arrangements: addressing areas that need strengthening to deliver Capital Ambition and responding to issues that have become increasingly significant for the Council in recent years. The proposals are predicated on simply adapting existing arrangements to the Council's emerging agenda, and seek to strike a balance between retaining existing roles to maintain momentum and stability, and creating new posts that bring together related services to promote integration and cross-service working.

#### Proposed Corporate Director of People & Communities Post

9. Comments received as part of the consultation process broadly acknowledge the opportunities to build on the positive working arrangements that exist between the current Social Services and Communities, Housing and Customer Services directorates. A number of respondents viewed the proposals as a natural next step for building on current partnerships – acknowledging the positive joint work that has already been undertaken, not least in terms of preventative interventions such as First Point of Contact and the Independent Living Service. An alternative perspective argues for maintaining Social Services as a separate, standalone directorate – acknowledging the progress that has been made in recent years.
10. While the performance of Social Services has demonstrably improved, this does not lessen the case for change. Joint working between directorates has resulted in important improvements in outcomes, particularly in relation to maintaining independence for older people through effective early intervention – thereby, reducing pressure on statutory services. This reinforces the case for increasing integration rather than maintaining existing silos. Moreover, demand pressures are predicted to increase significantly in coming years with fundamental

issues posed for the resilience of council budgets. The Council's response will require services involved with supporting the vulnerable to be closely aligned and deployed in a way that is seamless to meet the needs of the individual and their families.

11. The logic for creating the proposed new Corporate Director People & Communities post is acknowledged by Graham Williams, former head of the Social Services Inspectorate in Wales and peer advisor to the Council, who stated that: *"the creation of the post of Corporate Director for People and Communities is also a positive development which recognises the need to promote more effective joint working between the Authority's housing and social services for adults and children and the services provided by Health and the independent sector"*.
12. In effect, the Corporate Director People & Communities post would make a crucial senior-level contribution towards enabling the Council – and Cardiff more broadly – to respond positively and robustly to fundamental challenges, formulating a cohesive cross-council approach to the development of a change agenda for social services and housing that is vital to the Council's reputation, service delivery role and financial resilience.
13. However, it is also accepted that reporting arrangements for the Statutory Director of Social Services need to be robust. For the sake of clarity, the post-holder will be a member of the Senior Management Team and the definition of roles will be consistent with the requirements of the Code of Practice issued under Part 8 of the Social Services and Well-being (Wales) Act 2014:
  - The Director of Social Services will be the source of professional advice to the Head of Paid Service and to Councillors on all social services matters;
  - The Director will have direct access to the Head of Paid Service, to Cabinet Portfolio Holders and to Councillors; and
  - The Director will be accountable for fulfilling all the responsibilities set out in the Code.
14. The Statutory Director of Social Services Protocol will be updated to reflect new senior management arrangements, outlining in detail how statutory responsibilities and lines of reporting associated with the role will be exercised.
15. In relation to Children's Services, concerns were raised about the deletion of the existing Assistant Director Children's Services role due to the impact on capacity at a time of growing pressures and the imbalance that would be created with Adult Services. This proposal had been shaped by the unsuccessful previous attempts to recruit to this post and included the recruitment of an appropriately qualified and experienced Director of Social Services, supported by a new Corporate Director, followed by a review of operational management arrangements in the new directorate in order to create sustainable capacity. In effect, this was the start of a process that would seek to address an inherently

destabilising dependency on interim cover to discharge the responsibilities of a Head of Children's Services.

16. Feedback also highlighted the continuing increase in the number of Looked After Children, as well as the severity and complexity of cases. With this in mind, it is proposed that the existing post of Assistant Director (Children's Services) should be retained and continue to report to the Director of Social Services. This will include the payment of a market supplement, which has been agreed previously by the Council's Employment Conditions Committee, to ensure the competitiveness of the terms and conditions. Arrangements will be kept under review pending the outcome of a further recruitment process.

#### Proposed Chief Digital Officer Post

17. Strong support was expressed for the creation of the proposed Chief Digital Officer role. The Council's Policy Review and Performance Scrutiny Committee welcomed the proposed new post, noting that candidates for such a role required good technical knowledge and the ability to lead organisational and technological change. This was further endorsed by David Jones, a leading expert on digitisation, who highlighted the importance of role in terms of technology leadership nationally, organisational transformation and Cardiff's smart city credentials.

#### Proposed Assistant Director of Street Scene Post

18. Comments were received in relation to the importance of the proposed new Assistant Director post. There was recognition that integrating waste and cleansing aligns with the Council's commitment to developing a 'total street approach', albeit with the post covering a wide span of responsibilities.

#### Proposed Assistant Director Corporate Landlord Post

19. Feedback received as part of the consultation recognised the positive work that has taken place with regard to asset management in recent months and the need to maintain momentum through bringing together functions relating to the management and maintenance of the Council's property estate.

#### Proposed Head of Democratic Services Post

20. On 10 October 2017, the Council's Democratic Services Committee reviewed the draft job description for the proposed Head of Democratic Services post. The Committee supported the proposed creation of a new post to undertake this statutory role; however, Members did raise concerns about the ability to fill the post with a suitably qualified candidate. The Policy Review and Performance Scrutiny Committee also discussed this post at its meeting on 4 October 2017 and welcomed the proposed establishment of a new Head of Democratic Services post that would act as an advocate for Scrutiny and Member support.

## 21<sup>st</sup> Century Schools

21. The Council will also need to ensure that sufficient capacity exists to deliver successfully the Council's priorities in relation to Band B of the 21<sup>st</sup> Century Schools Programme. Current staffing arrangements in this area will be reviewed following confirmation by the Welsh Government of the Council's funding envelope.

## Amendments to Director Roles – Proposed Details of Services

22. The proposed details of services for each Director role, which were set out previously in Appendix 3 of the report that was considered by Cabinet on 21 September 2017, were not exhaustive and did not cover all areas of management responsibility in precise detail. However, a number of consultation responses requested amendments or further clarification in relation to the proposed services that would fall under the responsibility of certain Directors in the proposed new Tier 1 structure.

## **Process for Change**

23. Details of the existing Tier 1 and Tier 2 Senior Management Team structure are set out in **Appendix 2** to this report.
24. Taking into account the comments received as part of the consultation process, this report reaffirms the proposed Senior Management Arrangements that were considered and approved provisionally by the Cabinet in September 2017, albeit with the proposed retention of the existing post of Assistant Director Children's Services to ensure the continued provision of senior management capacity and expertise in an area experiencing severe demand pressures.
25. Following consultation with affected employees and their representatives, the following roles have been identified as having no, or only minor, changes in responsibilities and, therefore, there would be no change for the current incumbent:
  - Director of Social Services
  - Assistant Director Children's Services
  - Assistant Director Adult Services
  - Director Economic Development
  - Director Planning, Transport & Environment (*change of job title only*)
  - Director Education & Lifelong Learning
  - Assistant Director Education & Lifelong Learning
  - Director Governance & Legal Services
  - Assistant Director Customer Services
  - Assistant Director Housing & Communities
  - Corporate Director Resources
  - Head of Finance
  - Chief HR Officer
  - Head of Performance & Partnerships

26. The following roles are considered to be new roles and, therefore, will need to be advertised externally:
- Corporate Director People & Communities
  - Chief Digital Officer
  - Assistant Director Corporate Landlord
  - Assistant Director Street Scene
  - Head of Democratic Services
27. Details of the proposed new Tier 1 and Tier 2 Senior Management Team structure are set out in **Appendix 3** to this report.
28. Following consideration of specific comments received relating to the proposed changes in management responsibilities, two amendments are proposed below to the services to be covered by each Director role, which are set out in **Appendix 4** to this report:
- Rent Smart Wales would remain the responsibility of the Assistant Director (Customer Services), reflecting the fact that the common technology on which the service rests is the same as that of C2C, with 98% of registrations taking place online.
  - Adult Community Learning would fall under the responsibility of the proposed new Corporate Director People & Communities post to ensure alignment with the Council's Into Work Services and proposed Employment Gateway offer.
29. The Standing Orders (Wales) Amendment Regulations 2014 require posts over £100k salary to be publicly advertised. Therefore, this needs to be a consideration in the process for moving from the current structure to the proposed model. As a result of these rules, an Authority cannot ring-fence any vacancies with salaries over £100k or above as 'suitable alternative employment' for redundant employees, but must advertise them externally.
30. Advice has been received which states that it is possible to divide up the duties of one deleted post between other existing post-holders without the need to advertise the receiving posts as there would be no vacancies to advertise. However, the extent to which this can be applied without turning the receiving posts into new posts is not detailed in the Regulations. This report has been prepared on the basis that, as long as any additions to current roles are only minor, then those roles are counted as not changing.
31. Advice has also been provided by the Welsh Government stating that any interim appointment of less than 12 months does not need to go through the public advertisement process.

### **Decision making process**

32. There are a number of stages that will need to be completed in order to make changes to the current Tier 1 and Tier 2 Senior Management Team

structure and these have been added to by the Standing Orders (Wales) Amendment Regulations 2014. The stages that are now required to be followed are:

- Final proposals by the Chief Executive to Cabinet on 16 November 2017 following consideration of feedback from the consultation process.
- Referral to the Council's Employment Conditions Committee on 22 November 2017 for determination of a statement of the duties required for the new posts; the required qualifications or qualities to be sought in the person appointed; the terms & conditions of the new posts, and remuneration, subject to approval by Full Council.
- Report to Full Council on 30 November 2017 seeking approval of the proposed creation of the new post of Corporate Director People & Communities; advertisement of the post and the recommendations of the Council's Employment Conditions Committee.
- Appointments to the new roles to be made by Appointments Committee, which must also make the decision to dismiss redundant Directors/Assistant Directors, if applicable.

### **Reasons for Recommendations**

33. To formally recognise that the proposed new senior management structure has been further amended to reflect representations made during the consultation period. This has resulted in the Chief Executive being able to bring forward final recommendations to the Cabinet on the proposed model, following which a report on terms & conditions and remuneration will be considered by the Council's Employment Conditions Committee.

### **Financial Implications**

34. The cost of the proposed senior management arrangements set out in this report can be met from within existing budgets for tier 1 and tier 2 posts together with anticipated changes to the operational manager structure. If approved, the proposed structure will be reflected in the Council's 2018/19 budget with any impact in the current financial year dependent on the timing of the changes including recruitment to the new posts identified in the report. There will be costs associated with the advertising and appointment process and in relation to any redundancy or pension costs that may be incurred and these one-off costs will be funded from within existing resources.

## **Legal Implications**

35. It is the responsibility of the Cabinet to decide on employment strategy and policy in so far as this has not been further delegated. The Cabinet may therefore determine the broad Senior Management arrangements of the Council.
36. However this is subject to a number of specific requirements set out in the Local Authorities (Standing Orders) (Wales) Regulations 2006, as amended in 2014. These requirements are further set out in the Employment Procedure Rules contained within the Council's Constitution.
37. Under the Regulations and the Employment Procedure Rules the appointment or dismissal of various officers, including Corporate Directors, Directors, Assistant Directors, and the Head of Democratic Services, must be made by the Council or by a Committee of members delegated by the Council to make the appointment or dismissal, which Committee must contain at least one Cabinet member, but not more than half of the members of that Committee shall be Cabinet members.
38. The dismissal of any of these officers for redundancy, and appointments to newly created posts, are within the terms of reference of the Appointments Committee.
39. Furthermore, the Council's Employment Procedure Rules, as required by the Local Authorities (Standing Orders) (Wales) Regulations 2006 (as amended in 2014), state under Rule 2 that:

### ***Rule 2 Recruitment of Chief Officers***

- (a) A vacancy for the post of Chief Officer must be reported to the Council or body delegated to do so which will consider whether the post should be filled, and if so, subject to Rule 2A, the terms and conditions of employment and method of appointment.*
- (b) Where the proposed remuneration of the Chief Officer post is £100,000 or more per annum, the Council will arrange for the following to be prepared:-*
  - (i) A statement of the duties of the officer concerned and the required qualifications or qualities to be sought in the person appointed, which is sent to any person on request; and*
  - (ii) Public advertisement of the post to bring it to the attention of people who are qualified to apply, unless the proposed appointment is for a period of 12 months or less.*
- (c) Following advertisement, the Council will arrange for either all qualified candidates to be interviewed; or a shortlist to be prepared of qualified applicants and those candidates interviewed. If no suitably qualified person has applied, or if the Council decides to re-advertise*



*the appointment, the post will be re-advertised in accordance with paragraph (b) above.*

### **Rule 2A Remuneration of Chief Officers**

*Any decision to determine or vary the remuneration of Chief Officers (or those to be appointed as Chief Officers) must be made by full Council.*

40. The terms of reference of the Employment Conditions Committee include policy and issues arising from the organisation, terms, and conditions of Directors and Assistant Directors (note that, as stated above, remuneration of Directors is subject the decision of the full Council).
41. Consultation with all affected officers and trade unions has been undertaken as detailed in this Report.
42. Some officers will be displaced in the new structure. Those officers are on JNC Terms and Conditions, which provide that they should be offered any suitable alternative employment that may be available, or which may become available, in consequence of the reorganisation. If no suitable alternative employment is available the Conditions require the Authority to explore the possibility of providing an alternative post.
43. This requirement has become difficult to satisfy since the Local Authorities (Standing Orders) (Wales) Regulations 2006 were amended in 2014. As has been pointed out in the text of the Report, the Regulations now require that posts with a salary over £100,000 should be publicly advertised. It is therefore not possible to ring fence any such new posts to redundant officers.

### **HR Implications**

44. This report contains significant HR implications which will need to be managed in accordance with the recommended legal principles, the employment legislative framework and the requirements set out by Welsh Government. There will need to be ongoing discussions with impacted employees and Trade Union colleagues, with work done to minimise any disruption to the organisation, should Cabinet and subsequently, Employment Conditions Committee be minded to accept these proposals.
45. An Equality Impact Assessment of the restructure has been completed and there are no adverse impacts on any specific groups.

### **RECOMMENDATIONS**

Cabinet is recommended to:

1. having considered the summary of responses received as part of the consultation process, approve the new Tier 1 and Tier 2 Senior Management Team structure as set out in Appendix 3 and the proposed details of services covered by each Director role as set out in Appendix 4 to the report;

2. refer the matter of the statement of the duties required for the new posts; the required qualifications or qualities to be sought in the person appointed; the terms & conditions and remuneration of the new posts to the Council's Employment Conditions Committee on 22 November 2017 for determination as appropriate;
3. refer the proposed creation of the new post of Corporate Director People & Communities and advertisement of the post to Full Council on 30 November 2017; and
4. subject to recommendation (3) above, delegate authority to the Head of Paid Service, in consultation with the Cabinet Member for Finance, Modernisation and Performance, to implement the new Tier 1 and Tier 2 Senior Management Team structure and to allocate managerial resources during the transitional process, as appropriate, in accordance with the principles set out in this report.

**PAUL ORDERS**

**Chief Executive**

10 November 2017

*The following appendices are attached:*

- Appendix 1: Letter from the Chair of Policy Review and Performance Scrutiny Committee dated 16 October 2017
- Appendix 2: Existing Senior Management Team Structure
- Appendix 3: Tiers 1 & 2 Senior Management Team Structure (Final)
- Appendix 4: Director Roles – Details of Services (Final)

*The following background papers have been taken into account:*

- Cabinet Report, 21 September 2017: 'Senior Management Arrangements'
- Equality Impact Assessment
- Senior Management Review – Consultation Feedback