



Committee and date
Council

30 September 2010

10.00 am

Item No

16

Public

REVIEW OF MANAGEMENT ROLES AND RESPONSIBILITIES

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Summary

This report sets out proposals for a new operating model and senior management structure for the Council, as the first stage of a wider review of management roles and responsibilities across the organisation. The proposed changes are brought forward in terms of greater efficiency (reduced cost) and effectiveness (better service delivery).

The process and timescale for the implementation of the new senior management structure, following an initial period of discussion and consultation on the proposals, are also outlined.

Extensive briefings on this initiative have been provided recently for all elected Members and for those staff directly affected. Work is in hand to refine the initial thinking in the light of the feedback received, and to consult with the local Trade Unions, before the proposed changes are implemented.

As the Council's Head of Paid Service, my statutory duty is to advise on the structures, roles and staff number necessary to deliver our services effectively and efficiently, both now and in the future.

Recommendations

- A. It is recommended that Cabinet approves the proposed new operating model and senior management structure for the Council, together with the process and timetable for its implementation, in order to ensure the early realisation of the benefits arising from these changes.

Report

Background – the need for change

1. A combination of forces are driving the need for major change in the way that the Council's staff are led and managed, at this time. Members are well aware of the need for significant reductions in our spending, in the light of Government funding cuts, and have expressed the intention to give priority to

protecting resources for key frontline services. Cutting back unnecessary overheads on service delivery, including reducing the size and layers of management, is seen as an essential early stage in reshaping the Council's Budget over the next few years.

2. These proposed changes to management roles and responsibilities are a response partly to this pressure to reduce duplication of work and bureaucracy. However, at the same time, they are also intended to be a positive response to more clearly defining how the new unitary council wishes to operate. Now that it is fully established and its performance has been improved more consistently across all services, these proposals seek to obtain the best blend of the legacies we have inherited from our predecessor councils. They recognise that the full benefits of the reorganisation can only be realised in this way.
3. Meeting public expectations effectively, both now and in the future, will depend on us:
 - eliminating costly, inefficient delays in decision making;
 - moving decision making, and the authority and resources to take quick and responsive action, to the frontline; and
 - freeing our staff to be more creative in improving how services are delivered, and to try new ways of doing things.
4. To remove uncertainty for staff and others, to avoid disruption to service delivery in the short term, and to obtain these benefits as soon as possible, it is essential to put the new management structures in place quickly. Detailed preparations will be needed to do this, as the proposed new operating model for the Council removes traditional professional and service "silos", by integrating related functions around the needs of local residents, and by making our services more accessible to our customers.
5. On this basis, in future, good performance and success for the Council will be defined in terms of our customer satisfaction levels and outcomes which visibly improve the quality of life of people in Shropshire, rather than by pleasing Government inspectors. Demonstrating real value-for-money in the use of our limited resources will be an important part of this approach, as will a new emphasis on organisational development and investment in improving the skills and talents of our staff at all levels.

The Principles Underpinning Our Future Working

6. The proposed new operating model is underpinned by 10 key principles. These are set out in Appendix 1 attached. In combination they describe a very different type of organisation and style of working to our present arrangements. To be successful, they will require a major shift in both organisational culture and attitude, and in the ways that we choose to structure ourselves and carry out the various functions we perform.

7. In particular, the new organisation will require a smaller, more effective management structure at all levels. This will need to be supported by a new system of pay and reward, a new and more rigorous performance appraisal system, and a new framework of training and development for our managers. These aspects will be the subject of further reports to Members over the next few months.
8. There is no intention in this approach to break up existing work teams, where they are effective. This is not a wholesale restructuring of the Council. Responsibility for who manages each team might well change, and how teams work more effectively with each other will be a strong focus of the new arrangements. At some stage, the work locations and ways of working of some of our staff are also likely to change, as a necessary part of putting the new operating model in place. Under the proposed new senior management structure, all statutory posts in place to protect the Council and our staff will continue to be filled by senior managers. It is expected that all staff, at all levels, will continue to work normally while the process of implementing the new management structure is being completed.
9. Perhaps the most important aspect of the new operating model is that the organisation will be structured around how and where management decisions need to be made. Greater clarity about the personal accountabilities of managers will come by moving authority and resources to support such decision making. This will improve its quality and ensure that appropriate action is taken quickly and effectively to get things done. The new arrangements will streamline our management structures, based on three types of management roles and responsibilities. These are set out in Appendix 2 attached.

The Proposed New Structure

10. Under this approach, there will be fewer management posts in future, and each of these will have a broader range of responsibilities and wider spans of control, (ie more staff reporting to them as the line manager), than the present management posts. The structure will be less hierarchical, with fewer tiers, and will have a new emphasis on the ability of managers to demonstrate effective leadership of staff through major change, and to operate on a more “commercial” and “entrepreneurial” (business-like) basis in seeking ways to supplement and increase the impact of our scarce resources.
11. There will be a strong emphasis on moving services to the frontline in local “hubs” in our market towns, to get them closer to our customers, and on tailoring them more around local preferences and priorities. As part of this new approach to locality working, our frontline managers will be given the authority and resources to make decisions and get things done quickly, within a clearer county-wide policy framework which sets out minimum service standards and improvement targets, in terms of the desired outcomes for local people. Under the direction and guidance of three new posts of Director of Local Community Services, frontline managers will be encouraged to integrate related functions, both across the Council and with other local public service providers.

12. These new “Area Managers” will work closely with, and be directly managed by, a smaller strategic senior management team in the Council. Two new Corporate Director posts (Places & People) will focus on the Council’s longer term vision and strategy and work closely with members to advise on future options. This will ensure that strategic decision making on the future direction and pace of the Council is linked closely with the reality of day-to-day operations on the ground, and with the experiences of local people. The “Area Managers” will also work closely with a smaller number of Heads of Service, than in the current structure each of which will be responsible for integrating a wide range of related service functions on a county-wide basis, but seeking then to deliver these (as far as it practicable) through the local “hubs”.
13. On this basis, “Area Managers” will have direct responsibility for some frontline services, such as Streetscene, Housing Landlord functions, Development Control and Community Safety. They will also be responsible for the operation of all Council premises and points of service delivery in their area, such as Libraries, Leisure Centres and community facilities. One of their priorities will be to work closely with and support local councillors, in carrying out their Community Leadership role effectively.
14. At the same time, the role of “management” will be separated from that of technical or professional adviser, where necessary, so that staff at this level can play to their particular strengths in one aspect or the other. In other words, the value of high quality professional knowledge and advice is protected in the new structure, while those staff in management roles are the ones most able to meet the requirements of the additional responsibilities involved.
15. The proposed new operating model and senior management structure for the Council is shown in a variety of diagrams in Appendices 3, 4 and 5 attached. Detailed job descriptions, person specifications, and required competencies have been developed for each of the new management posts. These will be refined in the light of current discussions and consultation, before the new structure is implemented.
16. Under these proposals, the number of senior posts in the Council will be reduced from 94 to about 65. However, all management posts, together with related administrative support posts, will be reviewed over the next 12 months, with two further phases covering our senior and middle managers in the spring and summer of next year, respectively.
17. The intention is to achieve an overall reduction in management overheads of about 20% over the next 2-3 years – more than will be required for other staff groups in the Council. The total savings from these changes are estimated to be about £3 million a year, as a contribution to the Council’s overall target of £60 million in spending reductions over this period.
18. Particular care has been taken in designing the new senior management structure, to retain sufficient capacity and capability to deliver the major

changes in the way the Council works over the next few years. The same approach will be applied to the later stages of the management review, with an emphasis on protecting frontline service delivery, as much as possible.

The Implementation Process

19. Under this first phase, all current Corporate Directors, Assistant Chief Executives, Assistant Directors and Heads of Service posts will be deleted and will be replaced with a new senior management structure. All those staff affected will be able to express a preference for one or more posts in the new structure. They will have access to a personal dialogue with, and to advice and support, from our Human Resources staff on the options available to them.
20. The same process of selection for the new posts will be used for all those affected in this first phase, irrespective of role/grade, to ensure fair treatment. The intention clearly is that the Council selects and retains the talent and experience it most needs to ensure its future success. However, as a good employer, the Council remains committed to handling job reductions sensitively, and to avoiding compulsory redundancies where possible. The tiered approach of “top down displacement” to implementing these changes is designed to maximise opportunities to redeploy those staff who are initially unsuccessful in this appointment process, (with time limited salary protection, to ease the transition for them). Elected Members will have full involvement in the selection process for this first phase of the management review.
21. Details of the process and timescales for the implementation of these changes are set out in Appendix 6 attached.

Conclusion

22. As the Council’s Head of Paid Service, it is my statutory duty to advise Members on the structures, roles and numbers of staff needed to deliver our services to local people effectively and efficiently. These proposals have been carefully designed to reflect Shropshire’s particular circumstances and desired way of doing things. They also reflect the particular external pressures on the Council and anticipate likely major changes as a result of new Government policy. Accordingly, they are designed to not need major amendment in the foreseeable future, and to position the Council well to reduce risk and to seize opportunities, on behalf of local people, in the major changes to come over the next few years.
23. The proposed changes are also designed to excite and attract senior staff of the highest calibre to work in Shropshire, as well as to retain and develop our most talented staff. For these reasons, I strongly commend them for approval by Members so that I can take the necessary action to put them in place without delay.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Human Rights Act Appraisal

The recommendations contained in this report are compatible with the provisions of the Human Rights act 1998

Environmental Appraisal

Risk Management Appraisal

Community / Consultations Appraisal

Cabinet Member

Local Member

Appendices

Appendix 1 – New Operating Model Principles

Appendix 2 – Taking decisions where they need to be made

Appendix 3 – New Operating Model

Appendix 4 – “Hub and Spoke” Target Operating Model

Appendix 5 – Proposed New Structure

Appendix 6 - Details of the process and timescale for implementation

NEW OPERATING MODEL PRINCIPLES

1. Our customers are at the heart of everything we do and their satisfaction will drive our decision making.
2. The procurement and the provision of services will be targeted at meeting identified needs to a good standard, and we will not do anything in-house which other providers can do to our standards better or cheaper than we can.
3. Simplicity and transparency will dictate organisation design, with closely related activities and functions being grouped together or integrated with one another.
4. Clear service design will meet front line needs differently as appropriate to each place.
5. Front line services will be empowered to make decisions on the best form of service delivery, will have control of the necessary resources to support these, and will have physical presence in local service 'hubs' wherever possible.
6. Corporate Support services will be designed and run in order to enable efficient delivery of front line services, with a minimum of bureaucracy.
7. Management layers will be kept to a minimum, balancing responsiveness with appropriate control and clear accountabilities.
8. Strategy will be the responsibility of a small number of senior managers; operational leadership/management and professional 'Advisory' roles will be distinct and clearly defined; leadership will be for all managers and will involve treating others with respect and being open to new ideas and ways of working.
9. Service teams will operate as "business units" and managers will be expected to bring commerciality and entrepreneurship to the role.
10. Managers and staff will work in multi-disciplinary and multi-agency teams, and will have multiple accountabilities within a framework of 'matrix management'.

TAKING DECISIONS WHERE THEY NEED TO BE MADE**Strategy**

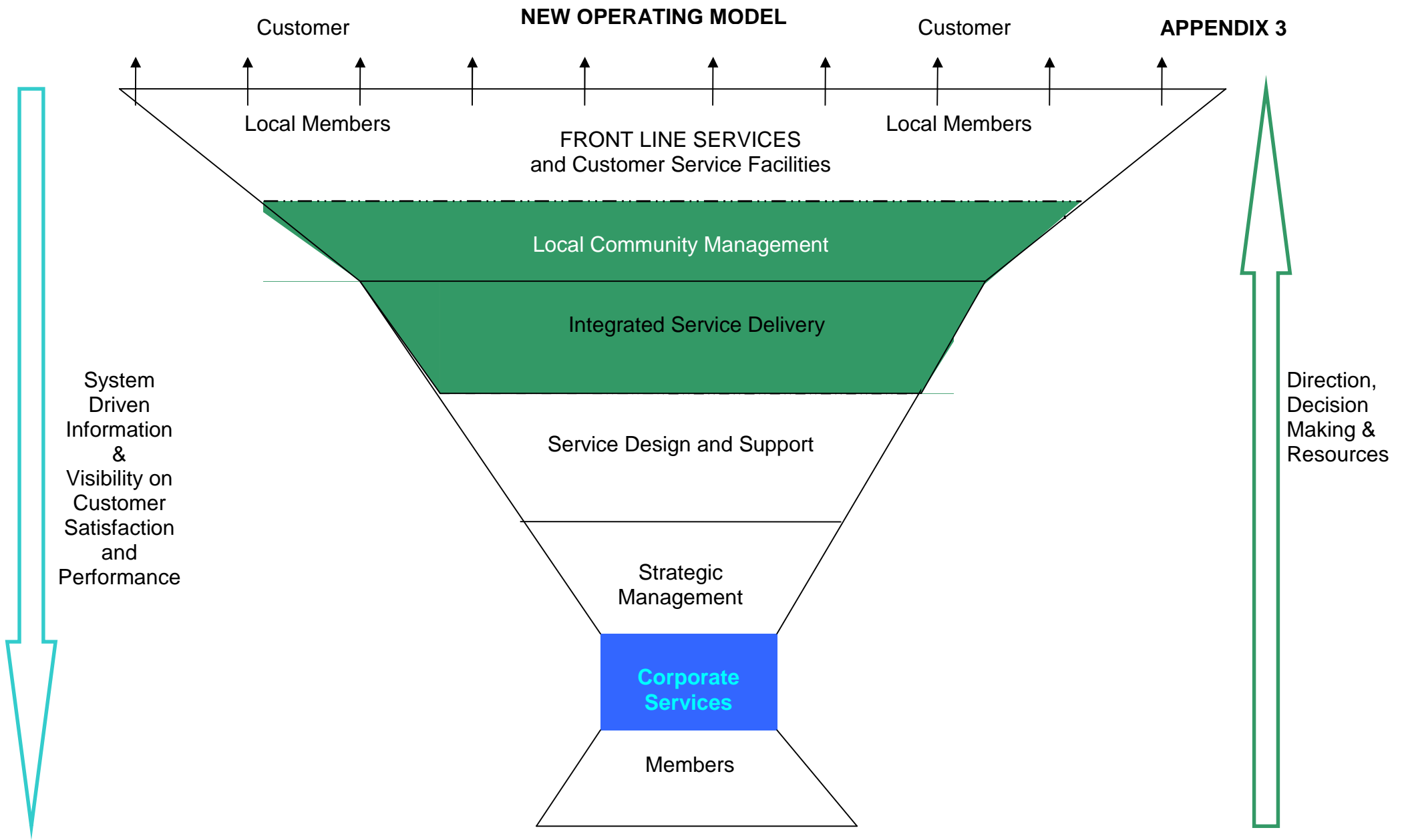
- Working closely with the elected Members to create and articulate the long-term vision for the Council and its local partners and to set the medium term strategy, action plan, and resourcing plan for the delivery of the Council's vision and priorities;
- Working closely with elected Members to put in place and maintain an effective framework for sound, democratically accountable decision making and governance, including scrutiny and member development;
- Developing and maintaining the organisation operating model for the commissioning and provision of services and activities;
- Setting and maintaining the framework of organisation principles, policies and processes, which ensure the effective running of the Council, and its wider arrangements for collaboration and partnership working by initiating and enabling strategic alliances and partnerships;
- Actively managing the Council's reputation and profile at all levels;

Locality Working

- Actively leading the management of the customer/council interface at local level;
- Directing, co-ordinating, and overseeing the activities and performance of collaborative, multi-disciplinary and multi-agency teams, (including joint working with town and parish councils), to deliver agreed local outcomes for customers, citizens, and businesses;
- Co-ordinating support to frontline Members in their community leadership role, and to local democratically accountable governance arrangements.

Service Delivery

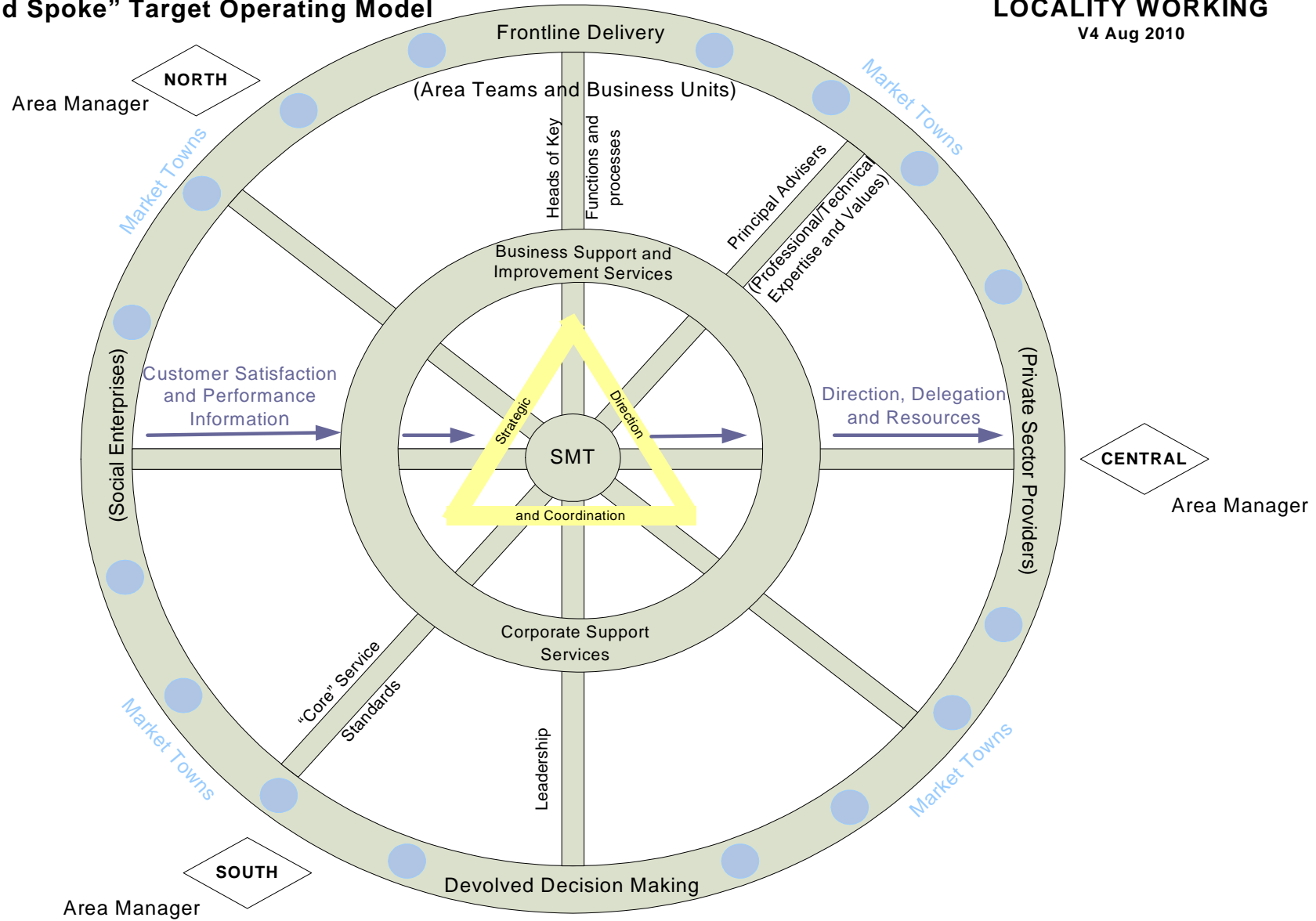
- Setting and maintaining service operating standards and practices at a county-wide level.
- Leading, managing and developing staff, in integrated and co-located teams with multiple accountabilities, to deliver high quality outcomes for local residents and businesses;
- Promoting and fostering collaborative working within a partnership and multi-agency environment;
- Delivering consistently good quality customer service.

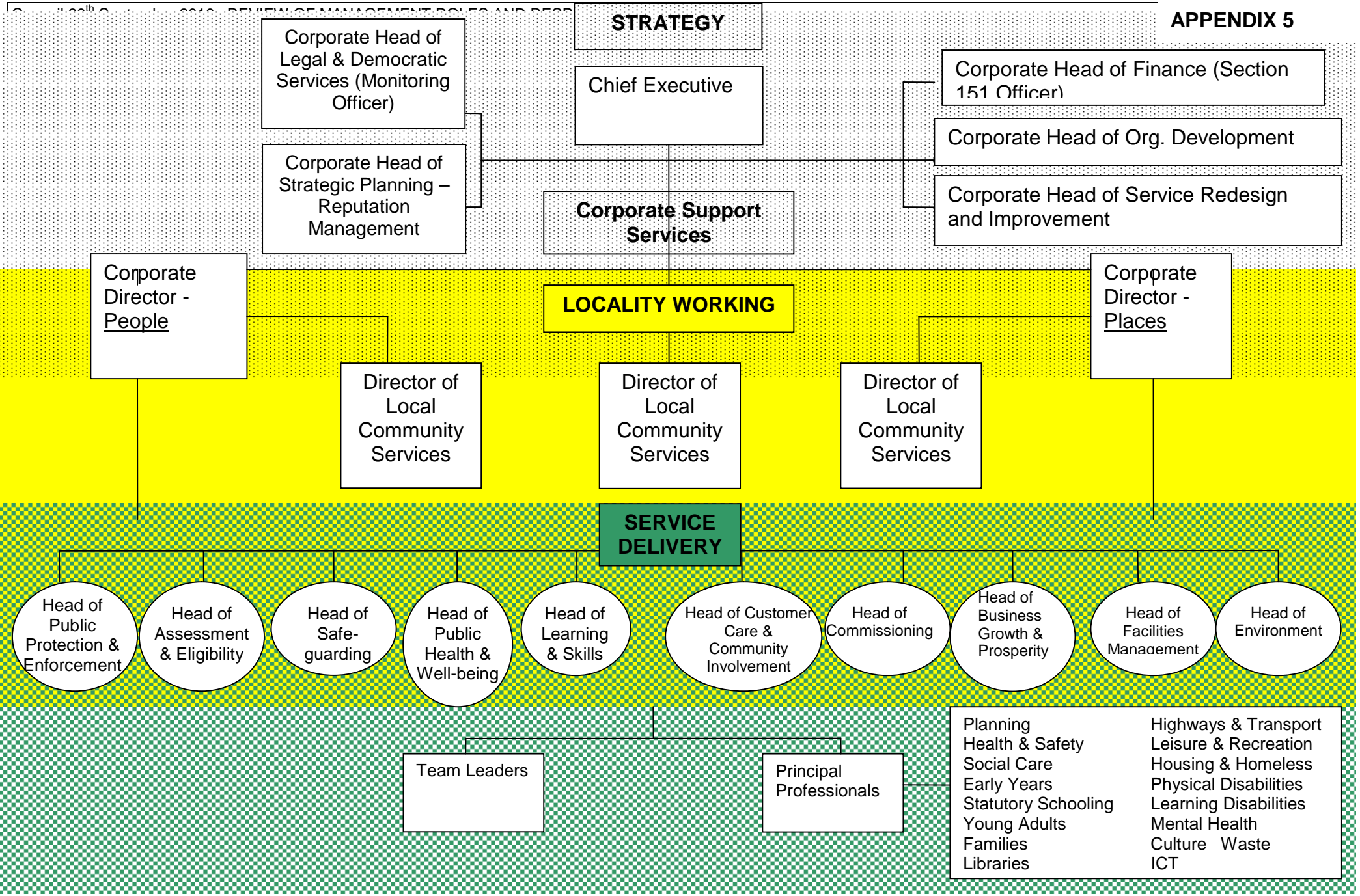


“Hub and Spoke” Target Operating Model

LOCALITY WORKING

V4 Aug 2010





APPENDIX 6

Details of the process and timescale for implementation

The degree of change will dictate the approach:

- Slot into new role if <30% change in role.
- Ring-fence (1) >30% change: but only one clear candidate.
- Ring-fence (to a group) >30% change, but several suitable candidates, so need to select the best.

Objective assessment of suitability for the new role:

- Psychometric exercises.
- Senior Executive profiling for future leadership capability.
- Officer panel interviews.

Member involvement and decision making:

- Corporate Director, Director of Local Community Services and Statutory roles – FULL MEMBER PANEL
- Head of Service roles – CONFIRMATORY MEMBER PANEL

Timescales:

CMT

- Briefed on 20 August 2010.
- Period of formal consultation (refine role definitions/responsibilities), during September.
- Assessment centre mid-October.
- Appoint to Corporate Director roles from 1 November 2010.
- Redeployment/Notice period for any member of staff displaced.
- Any redundancies effective from February 2011*

Assistant Directors/Heads of Service

- New operating model
 - first briefing – 31 August 2010
 - follow-up – 28 September 2010
- Period of formal consultation, (refine role definitions/responsibilities), during October.
- Assessment Centres October-November.
- Appoint to Director of Local Community Services and Heads of Services roles from 1 December 2010.
- Redeployment/Notice Period for any member of staff displaced.
- Any redundancies effective from March 2011*

Team Manager and Principal Professionals

- Next phase in Spring 2011.

* Proposed new terms and conditions effective from February 2011.