

# Executive Summary and Recommendations Cabinet Urgency Report

**Date:** 28<sup>th</sup> November 2008

**Subject:** Redesign Of The Council's Strategic Management Structure

## 1. Summary

- 1.2 This report proposes a fundamental re-organisation of the council to deliver our ambition to provide the best city services to our residents. It achieves this by prioritising services on the needs of our customers, reducing costs and improving the focus of our management team. Every part of the council will be affected, and the benefits will be seen in terms of stronger direction, better delivery and more accountable public servants.
- 1.2 Westminster has less than four years before it is the global focus of attention at the time of the London Olympic Games. Our ambition is to significantly improve service from an already high standard over this time. We believe that we must break down old boundaries and pool and focus resources to achieve higher standards. The council needs to lead through a period of recession and streamline its costs as value for money becomes a pre-eminent concern.
- 1.3 Therefore we are proposing a smaller Executive Board of five Group Directors, the Chief Executive and Deputy Chief Executive. This would commission delivery units to deliver the services and projects that the city needs to meet the Olympic challenge. The Executive Board would be supported by enabling functions covering areas including Policy, HR, ICT, Communications and others. Creating these functions will involve unifying support functions currently located across the authority. Once these goals are achieved we will move to combine locally delivered services, including One Stop Shops and advice centres, in local public service hubs.
- 1.4 The proposal creates an executive board, new council support functions, and delivery units and provides the foundation for local service hubs. It removes up to six senior Directors and tasks the Director of Resources with delivering flatter structures to support the delivery of property and procurement needs. The proposal also involves the pooling of support functions and provides the basis for reducing 100 management posts over time
- 1.5 This new structure is the result of a careful analysis of what we need to do to be recognised by those we serve as a model for the best city government in terms of service, leadership, cost and effectiveness in delivery. It builds on the Leader's aspiration to set a Westminster Standard of service delivery and the pledge, made as part of the Reward programme, to reduce the number of people employed by the authority, but improve pay and professional development. It will also align the structure with our new staff values which emphasise innovation, personal responsibility and excellent service. These structural proposals need to be seen alongside the overall development of a change programme to 2012.

- 1.6 This structure will support our best city ambitions. It will encourage cross-departmental projects that have already proved successful such as Civic Watch and Family Recovery and discourage silo working and duplication of resources.
- 1.7 The initial proposals involve some initial investment in the strategic executive board, but we envisage savings of around £10 million from reduced management posts and from pooling support services. This is in addition to the significant savings already identified in the 3 year business plan. We intend to move quickly to implement these changes and have many of the new appointments in place by January 2009.

## **2. Recommendations**

- 2.1 That the post of Deputy Chief Executive (Built Environment) be re-designated Deputy Chief Executive and the current incumbent remain in post
- 2.2 That the posts of :-  
Group Director of City Management  
Group Director of City Development  
Group Director for Adults and Community Services  
Group Director for Children and Young People  
be created as part of the new Strategic Board to take forward the organisation in line with the strategic direction of the council.
- 2.3 That the posts of:-  
Deputy Chief Executive (People Services) & Director of Children's Services and  
Director of Policy and Performance (both currently vacant) be deleted from the establishment with effect immediately.
- 2.4 That authority to revise the Schedule of Delegations to Officers in respect of existing delegations in order to take account of organisational change, be delegated to the Chief Executive.



City of Westminster

## Report for Cabinet Committee

Item No:	4
Date:	28th November 2008
Classification:	For General Release
Title of Report:	Redesign of the Council's Strategic Management Structure
Report of:	Chief Executive
Wards involved:	None
Policy context:	Councils Strategic Goals and Objectives
Financial summary:	Initial additional costs will be mitigated by overall savings as the Council moves to the new operating model.
Report Author:	Mike More - Chief Executive
Contact details	16 <sup>th</sup> Floor City Hall 02073692030

## **1. Background Information**

- 1.1 Our ambition as a Council is to be the best city government by the time the eyes of the world are on us in 2012. To set the standard against which all others judge city government and public service. To achieve this goal we cannot rest on our laurels and we must learn from others. When we look at what this ambition means in practice we will need to ensure that :
- a. Westminster Council is a better place to work. Where the opportunity to develop careers is given by setting and exacting high standards, by widening the range of activity on which staff might work, by making the connections across services and by creating a smaller more qualified and better paid workforce who feel they make a real contribution.
  - b. Westminster is a better place to deliver high quality customer services. Where our processes are slim and easier to operate, where the customer experience is of a responsive and helpful organisation, where the customer doesn't need a detailed knowledge of our inner workings to get the services and answers they require
  - c. Westminster is a better place for stakeholders to do business with us. Where cross departmental activities are done quickly, effectively and without duplication.
  - d. The experience of citizens, businesses and visitors to Westminster is that of integrated and unified public services that avoid internal procedural conflicts. Where the council has a common shared view across itself and where the public agencies are better able to work together in addressing the needs of Westminster's population.
- 1.2 Our current management model will not naturally adjust to deliver this new vision. Without a doubt we have a very professional team. But the different departments (with multiple layers of senior managers, managers and deputy managers) often duplicate each other and often one department doesn't realise what other departments are doing, even if they are engaging in very similar activities. Our strong departmental structure means that we compound the difficulty when we want to do something across departments. It means that we sometimes don't take the opportunity of common learning or shared data. It means that we don't optimise on the opportunity for staff to develop experience
- 1.3 Furthermore we have too big a divide between the centre and the front-line and too many layers between senior management and the staff who deliver services. We don't make sure that those at the front line "own" the customer experience or "own" the street. We have too strong a hierarchical structure which is expensive and inhibits innovation and ambitions for truly excellent service and delivering amazing streets.

## **2. Detailed Proposals**

- 2.1 It is proposed that Westminster City Council moves to a new operating model which is designed to have four key elements. This paper focuses on the first of

these key elements (the creation of a new smaller Strategic Executive Board) but refers to each of the four elements to aid greater understanding of the holistic plan.

- 2.2 The first element is a smaller **Strategic Executive Board**. The role of the Board will be to provide the overall strategic officer leadership to the Council. This will be done by working as a team. The role of Group Directors as Board members will not be that of a service professional lead and will not be to “manage” a department in the conventional sense. Two characteristics will be essential for the team members that can be summarised in the phrase “connected commissioners”. The fundamental role of team members is to commission and direct activity from inside and outside the organisation. Their commissioning activity will connect across a range of activity where the benefit of connection is most apparent (the structure of the proposed team is shown at Appendix 1).
- 2.3 The second element is **pooled support functions**. WCC currently operates under a structure in which each department has its own policy function, its own complaints function, its own performance function and other activities. This leads to difficulties in joint working across departments; it makes it difficult to get a single version of the truth and it potentially creates artificial ceilings in career and experience terms that lead to too many layers of unnecessary management; it is not a platform on which to build effectively with external partners. In essence, having generic functions spread across different parts of the Council is costly and leads to an unnecessary fragmentation.
- 2.4 It is proposed that these related but separately organised functions are brought together as single units in a much flatter structure, operating as commissioned by the Strategic Executive Board.
- 2.5 The types of functions this will cover are as shown in detail in appendix 1 but will cover:
  - Planning and Performance
  - Policy and Partnerships
  - Programme and Project Management
  - Communications and Strategy
  - Procurement and Contract Management
- 2.6 These units would work alongside the teams being created for HR, ICT, Property, Finance and Legal and Administrative Services. In addition to the above, it is proposed that customer services support and complaints management are brought together and positioned within Policy and Partnerships. Similarly a review will be undertaken to consider the positioning of Public Health.
- 2.7 The third element are **delivery units**. These are the professional delivery teams which provide high quality services across all our four-hundred-plus activities provided by the council. From planning to environmental health and from highways to education schools support. The relevant Group Directors on the Strategic Executive Board will keep strategic oversight and direction of this

activity; will work with each other to ensure that connections between units are strengthened and joint task teams are established where appropriate.

- 2.8 The precise number and size of delivery units will need to be worked on and adapted as we progress. They will need to be of sufficient size to have capacity to meet delivery needs. The role of the Strategic Executive Board as commissioning is such that there is no reason artificially to break delivery units up to match the role of each Strategic Director; two Strategic Directors could in principle commission from one delivery unit and this indeed would be welcome to combat “silo” working.
- 2.9 The fourth element is our **local delivery mechanisms**, building on the success of Integrated Street Managements ability to integrate street management to create and maintain the kind of city streetscape councillors, residents, businesses and visitors want means we need to create authoritative officers who are able to act on behalf of the whole council at street level. Similarly the development of children’s centres and the development of Neighbourhood Estate offices present further opportunities to create one stop shops where Westminster residents can do their business with us and partners.
- 3.0 Throughout this process we will be guided by structures which suit the customer, rather than the administration, devolve operational responsibility and allow us to deliver management structures. We summarise this approach as a ‘focus on the frontline service’ and is central to our approach to achieving our best city goals. These structural changes will be complemented by a change programme, building on WORKSMART and investment in a leadership and management development programme and strengthened performance management introduced through REWARD.

### **3. Implementation Plan**

- 3.1 If agreed the next steps in the roll out of this plan would be:
  - a. An appointment and assessment process for the creation of the Strategic Executive Board. This will seek expressions of interest and applications within the Council by early December.
  - b. Internal appointments by late December 2008
  - c. In the event that some posts will need to be filled externally, this process will begin in early January.
  - d. The intention is that the Strategic Executive Board be fully operational by April 2009.
  - e. Creation of a wider Senior Management Community which will be supported to work as one team and with the Strategic Executive Board. This will replace the current Corporate Management Board.
  - f. To create from early 2009 a Pooled Programme and Project Management team as an exemplar of a pooled generic function.

- g. To remodel the overall management structure to remove duplication and unnecessary levels or sub levels of management
  - h. To task key officers across the council, supported by a project team, to define the other pooled generic functions and their way of working and to come forward with an interim report in January with a view to informing the implementation programme in the early part of 2009.
- 3.2 The necessity to progress this quickly is because of the need to minimise the impact on our customers by completing the internal recruitment process by year end to ensure that if required we can complete the external recruitment in time to have all directors in post by the beginning of the new financial year (April 2009)
- 3.3 I believe that this future organisational model will enable us to take Westminster forward.

## 4. Financial Implications

### Additional Costs

POST	Salary	On-costs	Admin Spt
Group Director of City Management	£135,000	£27,000	£36,000
Group Director of City Development	£135,000	£27,000	£36,000
Group Director of Adults and Community Services	£135,000	£27,000	£36,000
Group Director of Children and Young People	£135,000	£27,000	£36,000
<b>SUB TOTAL</b>	<b>£540,000</b>	<b>£108,000</b>	<b>£144,000</b>
<b>TOTAL</b>	<b>£792,000</b>		

### Savings to date as a result of Redundant Posts (At current Reward Value)

POST	Salary	On-costs	Admin Spt
Deputy Chief Executive (People) and Director of Children's Services	£150,000	£30,000	£36,000
Director of Policy and Performance	£101,000	£20,000	£36,000
<b>SUB TOTAL</b>	<b>£251,000</b>	<b>£50,000</b>	<b>£72,000</b>
<b>TOTAL</b>	<b>£373,000</b>		

This process also includes the removal of up to six Director posts. See 1.4 above

The remainder of the outstanding difference will be mitigated by the overall savings of around £10 million from reduced management posts and from pooling support services.

## 5. Legal Implications

- 5.1 The Local Authority Social Services Act 1970 and the Children Act 2004 contain statutory provisions which govern the role, responsibilities and accountabilities of

Directors of Children's and Adult Services, and the recommendations are consistent with that statutory framework.

## **6. Staffing Implications**

- 6.1 As stated this model seeks to deliver a new structure for the council. In keeping with the objective of a smaller, more professional, more highly paid workforce the intention is that a smaller more effective management board will be mirrored with a smaller more efficient workforce. Such proposals are outlined in Section 2 above and referred to in appendix 1. More detailed planning is currently being instigated and will be coming forward as proposals shortly. Subject to the agreement of the cabinet committee any temporary arrangements put in place until all management posts and restructure have been completed will adequately support staff in all services.
- 6.2 Consultation will be undertaken with both Staff representatives and senior staff who will be directly affected by changes in management structures and reporting lines. At this stage it is not envisaged that any redundancies will occur as a direct result of this activity
- 6.3 Should however any staff be made redundant during this reorganisation the Council's compensatory payments policy will apply. Payments are discretionary (apart from the statutory redundancy payment) and the appropriate Committee would be required to give proper consideration to the exercise of that discretion, having regard to the policy, and the respective interests of both the Council and the employee.

## **7. SCHEDULE OF DELEGATIONS TO OFFICERS**

- 7.1 As a result of the introduction of the new organisational model, and the deletions of chief officer posts which are recommended or which have already taken place, existing delegated powers will need to be reallocated. A recommendation has therefore been included in this report to authorise the Chief Executive to make the necessary revisions to the Schedule of Delegations. This will only apply to existing delegations previously agreed by Members. A similar recommendation will be made to the General Purposes Committee in respect of non-executive delegations. Any proposed new delegations will be the subject of a further report (s).

## **8. Business Plan Implications**

- 8.1 Once finalised these proposals will become an integral part of the overall business planning process.

## **9. Reason for Decision**

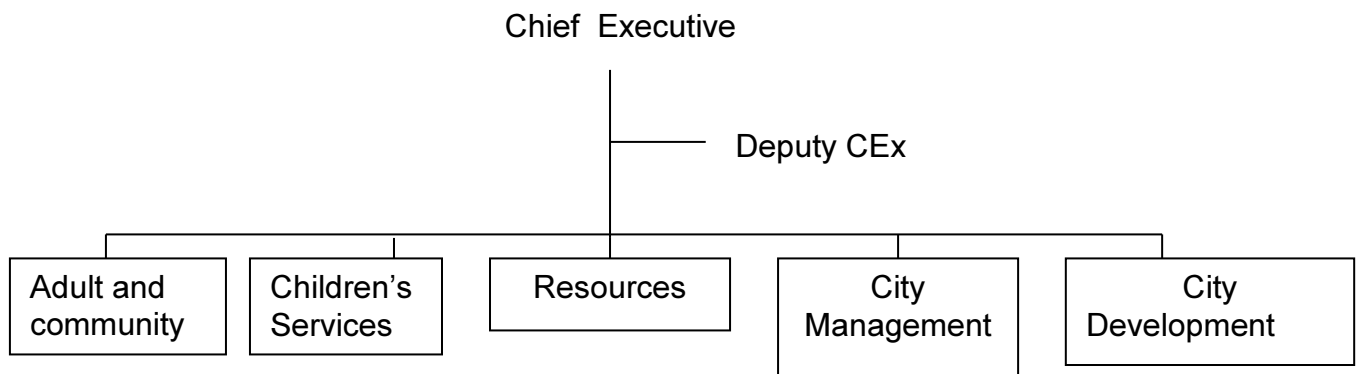
- 9.1 The organisational model described in the report will enable the City Council to meet its goals and objectives.



**If you have any queries about this report or wish to inspect one of the background papers please contact Mike More on 020 7641 2030, email [mmore@westminster.gov.uk](mailto:mmore@westminster.gov.uk)**

## APPENDIX 1

### STRATEGIC EXECUTIVE TEAM



#### Operational Model

The role of Strategic Directors is to provide strategic lead for related groups of activity and to lead on overall organisational/corporate activity.

Directorate Groupings:

- i) Chief Executive - Director of Finance reports to the Chief Executive and attends meetings of the Strategic Executive Team.
- ii) Deputy Chief Executive: responsible for Regeneration, Housing and Neighbourhoods (Economic Development, City Recovery, Housing, LARPs, Neighbourhood Teams).
- iii) Children & Young People: integrated children's services, including schools.
- iv) Adult and Community Services: adult social services, adult education, libraries and arts; sports and leisure.
- v) City Development: role encompasses "city-shaping" policy (LDF, Environmental, Crime and Disorder, Transport, Public Realm, Licensing), City infrastructure schemes and project management, Development Control and Licensing.
- vi) City Management: role encompasses Integrated Street Management, Highways, Cleansing, Lighting, Parks, Licensing Enforcement, Environmental Health, Parking, Civic Watch, Trading Standards.
- vii) Resources. Property, ICT, HR and Procurement. Within the concept of pooled specialist functions, procurement functions would extend to cover generic contract client management and strategic advice.
- viii) Director of Finance role will cover section 151 and will have responsibility for financial services and will be tasked with looking at the opportunity for pooling financial support activity across the council.

The Chief Executive will regularly convene a Statutory and Corporate Governance Group comprising the Chief Executive, Director of Finance and Monitoring Officer. The Director of Finance and Monitoring Officer will have access to the Strategic Executive Board.

The Customer Services role in the current structure will split between Procurement and Contract Management (VERTEX contract) and the Policy Unit (for setting customer standards and the management of an integrated customer/complaints team). Precise timings will be a matter for detailed discussion.

Line management responsibility for generic support functions will rest as follows. (Under the model, the line management role needs to be set alongside the commissioning role undertaken by all members of the strategic executive team.)

**Chief Executive:**

Finance  
Communication, Marketing,  
Consultation and Strategy

**Deputy Chief Executive:**

Legal and Administrative Services  
Performance and Planning  
Policy, Innovation and Partnerships  
Programme and Project Management

**Director of Resources:**

ICT  
HR  
Procurement, Sourcing and Contract Management  
Property

The Deputy Chief Executive will also have responsibility for Emergency Planning and Events and other assigned responsibilities. At present these will include Westminster Olympic preparation; chairmanship of a Performance Improvement Board.