

To: Members of the County Council

Date: 8 March 2022

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Dear Councillor

You are invited to attend a special meeting of the **COUNTY COUNCIL** to be held at **2.00 pm** on **MONDAY, 14 MARCH 2022 VIA VIDEO CONFERENCE.**

Yours sincerely

G Williams
Head of Legal, HR and Democratic Services

AGENDA

PART 1 - THE PRESS AND PUBLIC ARE INVITED TO ATTEND THIS PART OF THE MEETING

1 APOLOGIES

2 DECLARATIONS OF INTEREST (Pages 3 - 4)

Members to declare any personal or prejudicial interests in any business identified to be considered at this meeting.

3 REVIEW OF SENIOR LEADERSHIP STRUCTURE (Pages 5 - 30)

To consider a report by the Chief Executive for the future strategic direction of the Council, including a proposal to restructure the Council's Senior Leadership Team (SLT) (copy attached).

MEMBERSHIP

Councillors

Councillor Alan James (Chair)

Brian Blakeley
Joan Butterfield

Councillor Christine Marston (Vice-Chair)

Barry Mellor
Melvyn Mile

Jeanette Chamberlain-Jones
Ellie Chard
Ann Davies
Gareth Davies
Meirick Davies
Gwyneth Ellis
Hugh Evans
Peter Evans
Bobby Feeley
Rachel Flynn
Tony Flynn
Huw Hilditch-Roberts
Martyn Holland
Alan Hughes
Hugh Irving
Brian Jones
Pat Jones
Tina Jones
Gwyneth Kensler
Geraint Lloyd-Williams
Richard Mainon

Bob Murray
Merfyn Parry
Paul Penlington
Pete Prendergast
Arwel Roberts
Anton Sampson
Peter Scott
Glenn Swingler
Andrew Thomas
Rhys Thomas
Tony Thomas
Julian Thompson-Hill
Graham Timms
Joe Welch
Cheryl Williams
David Williams
Eryl Williams
Huw Williams
Emrys Wynne
Mark Young

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Code of Conduct for Members

DISCLOSURE AND REGISTRATION OF INTERESTS

I, *(name)*

a *member/co-opted member of

*(*please delete as appropriate)*

Denbighshire County Council

CONFIRM that I have declared a ***personal / personal and prejudicial** interest not previously declared in accordance with the provisions of Part III of the Council's Code of Conduct for Members, in respect of the following:-

*(*please delete as appropriate)*

Date of Disclosure:

Committee *(please specify)*:

Agenda Item No.

Subject Matter:

Nature of Interest:

*(See the note below)**

Signed

Date

*Note: Please provide sufficient detail e.g. 'I am the owner of land adjacent to the application for planning permission made by Mr Jones', or 'My husband / wife is an employee of the company which has made an application for financial assistance'.

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Report to	Council
Date of meeting	14 th March 2022
Lead Member / Officer	Cllr Julian Thompson Hill / Graham H Boase
Report author	Graham H Boase
Title	Review of Senior Leadership Structure

1. What is the report about?

1.1. The Chief Executive's vision for the future strategic direction of the Council, including a proposal to restructure the Council's Senior Leadership Team (SLT).

2. What is the reason for making this report?

2.1. The restructure of SLT involves the creation of an additional Corporate Director post (i.e. Corporate Director for Support Services). The creation of a new senior management position at this level is not a decision the Chief Executive is able to make; it requires a formal Council decision.

3. What are the Recommendations?

3.1. Council approve the creation of a new Corporate Director post, i.e. Corporate Director for Support Services.

3.2. Council accept the recommendation of the Member SLT Remuneration Panel that the new post of Corporate Director for Support Services be at SLT 3 level.

4. Report details

4.1. Attached as **Appendix 1** is the Chief Executives document entitled Vision and Strategic Direction. This paper sets out my thinking about the future challenges facing the Council and how we need to adapt in order to support our

communities and continue to deliver front line services. It is designed to promote a discussion for the new Council. It also highlights the serious lack of senior management and leadership capacity we need in order to address these future challenges.

4.2. Attached as **Appendix 2** is my document entitled, A Review of the Senior Leadership Structure, which is supported by **Appendix 3** showing the current SLT structure and **Appendix 4** showing the proposed SLT structure.

4.3. **Appendix 2, 3 and 4** explain my two phased approach to restructuring SLT. The first phase, which is what this report is about, is to add an additional Corporate Director into the structure i.e. move from 2 Corporate Directors to 3 Corporate Directors. The second phase which will follow once the Corporate Directors have been appointed is to review the Heads of Service, and how they are grouped under the 3 Corporate Directors.

4.4. **Appendix 5** is a summary of the benefits to the Council and our communities by creating the new post of Corporate Director for Support Services.

4.5. **Appendix 6** is a summary of the responses received from SLT as a result of the formal consultation exercise regarding the proposed changes.

4.6. **Recommendation 3.1** above is my recommendation as Chief Executive in terms of creating the additional post of Corporate Director for Support Services.

4.7. **Recommendation 3.2** above is a recommendation from the Member SLT Remuneration Panel, Chaired by Cllr Julian Thompson Hill. This recommendation came from the meeting of the Panel on 14th February 2022. Prior to that meeting the HR Manager had submitted the Corporate Director Job Description, Portfolios and proposed SLT structure to Kornferry Hay, the Council's Independent Job Evaluators, for them to conduct an evaluation of the new Corporate Director: Support Services and to determine if the changes to the existing Director roles had an impact on their current evaluations. The outcome of the independent job evaluation was that in accordance with the Senior Leadership grading structure, the new post of Corporate Director Support Services should be based on SLT 3 (£107,374 - £110,670), and that there was no change to the 2 existing Corporate Director evaluations. This outcome was considered and supported by the Member SLT Remuneration Panel.

5. How does the decision contribute to the Corporate Priorities?

5.1. The strategic direction paper and the SLT review resulting in an additional Corporate Director post, along with the subsequent Phase II review of the Heads of Service, will best position the Council to deliver its Corporate Priorities.

6. What will it cost and how will it affect other services?

6.1. The new Corporate Director for Support Services has been graded by the Member Remuneration Panel at SLT 3 (£107,374 - £110,670).

6.2. The additional Corporate Director position, along with the associated Phase II review of Heads of Service, will greatly improve the effectiveness of the Council and will deliver significant efficiencies for the Council in the short, medium and long term.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1. A Well-being Impact Assessment is not required

8. What consultations have been carried out with Scrutiny and others?

8.1. The Council's SLT have been formally consulted on the proposals. A summary of the responses received is contained in **Appendix 6**.

8.2. The Chief Executive has informally discussed the proposals with Cabinet Members.

8.3. The Chief Executive and Leader attended a meeting of the Group Leaders on 9th February 2022 in order to brief Group Leaders on the proposals, so that they in turn could brief their Groups.

8.4. The Council's Member SLT Remuneration Panel, Chaired by Cllr Julian Thompson Hill met on 14th February 2022. The Panel was briefed by the Chief Executive on the strategic direction paper and proposed 2 phased approach to the restructure of SLT. The HR Manager briefed the Panel on the independent assessment of the grading of the proposed new Corporate Director for Support Services post.

9. Chief Finance Officer Statement

9.1. There is unlikely to be an impact on the budget for 2022/23 as the part year increase in costs are likely to be outweighed by savings in vacant posts within the current senior staff structure. The financial implications of all phases of the restructure will be included within the budget proposals for 2023/24, when the full year impact of additional costs and possible savings will be known. As CFO I am fully supportive of the rationale behind the restructure, recognising the need for investment in this level of the Council.

10. What risks are there and is there anything we can do to reduce them?

10.1. The future risks and challenges facing the Council are laid out in the attachments at **Appendix 1** and **2**.

10.2. The main risk is that without additional senior leadership and management capacity and an associated restructure of SLT the Council will not be best placed to respond to the challenges ahead. Effectiveness in our ability to deliver services and make the necessary efficiencies will be significantly compromised.

11. Power to make the decision

11.1. Section 11.9.2 Council Constitution.

11.2. S112 Local Government Act 1972.

11.3. Regulation 7 Local Authorities (Standing Orders) (Wales) Regulations 2006 as amended.

Vision & Strategic Direction

A View from the Chief Executive

1. Introduction:

1.1 I was appointed Chief Executive in August last year. I have had 6 months to reflect on the Council's culture, performance, organisational structure and the way we do business. That reflection has included many discussions with Officers and Members from across the organisation as well as representatives of partner organisations.

1.2 One of my first actions was to address our culture. I have clearly set out my vision for the type of organisation I think we should aspire to be. The vision is based on 5 principles;

- Continue to develop our own culture, the Denbighshire Way
- Be a Council closer to our communities
- Have clear performance expectations
- Promote strong Officer/Member relations
- Support and develop our staff

1.3 These 5 principles are underpinned by the Council's 4 Values;

- ❖ Integrity
- ❖ Respect
- ❖ Unity
- ❖ Pride

1.4 I have and will continue to promote this vision, which has been well received by Officers and Members. I want us to embrace the principles and values in all that we do. They will serve us well.

1.5 On its own this vision of the type of organisation we want to be is not enough. We need a clear strategic direction in terms of the role of the Council in the future, our business effectiveness and how relevant we are to our communities.

1.6 This paper seeks to provide my view as Chief Executive of that strategic direction. It is designed to promote a discussion and support my proposals for a review of our senior management structure.

2. Sustainable Improvement:

2.1 As a Council we spend significant amounts of revenue and capital every year. These resources are spent to ensure the Council has a positive influence/impact on our communities. Only a small fraction of these resources are generated by ourselves, predominantly via Council Tax on the revenue side and the sale of assets on the capital side.

2.2 The vast majority of our resources are provided by Welsh Government via the annual local government settlement. Historically capital has also been provided via the European Union, which is now to be replaced by funding direct from UK Government.

2.3 We can only spend what we have and much of what we spend is dictated by statutory responsibilities or other conditions/limitations. Spending more money on one worthy cause inevitably means spending less money on another worthy cause. These are never easy decisions, but decisions we are responsible for, and decisions that are open to scrutiny, challenge and sometimes criticism.

2.4 In Denbighshire we have a proud record of managing our resources well, by providing quality services alongside an ambitious programme of capital investment.

2.5 Some high profile examples to underline the point;

- Estyn in their Inspections in 2012 and 2018 awarded the Council an excellent judgement for leadership and management
- This year's Welsh Audit Office, Annual Audit Summary for the Council concluded that we are well placed to maintain our financial sustainability, we have a good track record of managing our budget, that in response to Covid we have shown strong and consistent collective leadership, and that we are making excellent progress in embedding our environmental ambitions.
- Over recent years we have invested over £100m of capital in our modernising schools programme, and even more in maintaining our roads, improving flood defences, developing the economy, the regeneration of Rhyl, modernising our libraries, leisure facilities, housing stock etc.
- At the same time, we have invested significant revenue budgets into our social services, the demand for which increases year on year.

2.6 With careful planning we have achieved all this whilst also making savings which have focussed on increased efficiency and value for money. The savings have therefore had limited impact on the day to day services we provide to our communities.

2.7 This demonstrates the good work we do as a Council.

2.8 We are therefore in a good position to assess the future challenges and how we intend to respond to those challenges.

3. Looking Ahead:

3.1 The financial context, in terms of our revenue settlements for future years, appears to be clear. For the next financial year 2022/23 we have received a favourable settlement, albeit with new responsibilities, alongside our ever increasing budget pressures. We have recently agreed a budget that has covered known budget pressures, whilst setting a Council Tax increase below inflation at 2.95%.

3.2 Future years however do not look so promising. It is clear that the following 2 years (2023/24 and 2024/25) the settlement will, in real terms, represent a reduction in what we have available to spend. At the same time budget pressures are only going to carry on increasing. Members will understandably want to keep Council Tax rises manageable. Our Medium Term Financial Plan reflects this position.

3.3 The future budget position is likely to have a detrimental impact on our ability to deliver services to our communities. This impact is likely to get worse over time.

3.4 To support this view, I refer to Stats Wales who have forecasted that the population of Denbighshire will increase by 2.8% between 2020 and 2040 from 95,655 to 98,365 including a 4.8% **decrease** in the number of the working age population and a huge 29.4% **increase** in the number of people aged 65 and over.

3.5 It is clear that the demand on social care as a result of this ageing population along with increasing costs of providing care, means in the future we are unlikely to have the budgets required to provide the services we would want.

3.6 There are similar pressures in a number of other service areas and these pressures are also likely to carry on increasing.

3.7 I am of the view that following 2022/23 the financial position for the Council will be extremely challenging for some years to come. So challenging in fact that our ability to provide services will come into doubt.

4. The long term reality:

4.1 We appear to have a choice;

- Continue with current service models and cut budgets each year to try and cover the increased pressures. This would mean a process of managers recommending unpalatable recommendations and Members having to make difficult decisions that in truth they will not want to make. This position overtime will threaten the viability of services and ultimately the Council. To date Members, have in the main been protected from having to make these difficult decision, but when they have, there

have been understandable tensions, which then takes up further time and resources in an attempt to find a resolution a balance the budget.

- The alternative is we look at a transformational redesign of how services are delivered, so that they cost us less. This would mean a different looking Council to the one we know, and dare I say have become too comfortable with. A Council that modernises services, considers and assesses different models of service delivery, builds capacity and resilience in our communities, supports and seeks to influence and work with partner organisations and maximises the opportunities of new government initiatives and funding opportunities. A Council, acting as a facilitator, which can work closely with our communities so they can identify what they need to thrive and how services may be delivered, be they by the Council or partner organisations.

4.2 Pursuing such alternatives will take careful planning and time to implement. Even with this proactive approach to change, given the budget forecasts post 2022/23, Members will still need to be prepared to make difficult decisions in future years around savings. But as a result of implementing these alternatives it is envisaged that the degree of savings required will not be so severe, and we can protect as far as possible services to our communities.

4.3 These challenges are significant, but our culture here in Denbighshire is to embrace such challenges and look for opportunities. To do the right thing.

5. The new Council:

5.1 The Local Government Elections take place in May this year, so after 5 years we will have a new Council. It will of course be for the new Council to make important decisions on matters of strategic direction, budget, performance etc. Together the Council's new Cabinet and wider membership, working with me and the senior leadership team will find a consensus and an appropriate way forward. As Chief Executive I will ensure I lead and influence that discussion.

6. Strategic Direction; The Future:

6.1 It is incumbent upon me as Chief Executive to set out my vision for the future strategic direction of the Council. I have already set out my vision for the type of organisation we should be, based on the 5 principles and 4 values. I now want to set out a clear strategic direction.

High level commitments; The Corporate Plan 2022 - 2026;

6.2 We are well advanced in our preparations for a new Corporate Plan 2022 – 2027. The new Council will consider and shape the work done to date, so they are able to approve a Plan they can support and get behind, in the same way as this Council has done with the current Corporate Plan.

6.3 The new Corporate Plan will in effect be the new Council's "Programme for Government" and will contain strategic themes and associated key pledges. Their delivery will require the highest level of co-ordination and integration across the whole of the Council, but particularly at the senior corporate level.

6.4 The Corporate Plan will be underpinned by each Head of Service producing their own Service Business Plan, which will contain the necessary level of detail at the operational level.

6.5 Although we have a good track record of delivering the aspirations in our Corporate Plans, the delivery of the next Corporate Plan will be a significant challenge over the life of the new Council.

Operational day to day service delivery to our communities;

6.6 As important as the Corporate Plan is to the Council and our communities, the reputation of the Council is also influenced by how well Services provide their core functions i.e. their day to day activities.

6.7 I believe we need to refocus on improved customer care and service delivery across our services. This is primarily the responsible of the Heads of Service. Services should strive to sharpen up their approach to customer care. This doesn't mean agreeing to every service request, but to be clear in their communications about what can be done and when, and what can't be done and why. We need more of a customer focus.

6.8 Services should ensure they do more to promote the excellent work they are delivering in our communities.

6.9 We need our Heads of Service to be strong, effective managers and leaders for their Service area, taking responsibility for performance, and the associated wider reputational issues. As Chief Executive I want to support and empower our Heads of Service to focus on managing their Services. I will expect our Corporate Directors to do the same.

6.10 We also need to promote and support the role of our politicians as the voice of the Council in their communities. Members have an important role in championing the work of the Council, an organisation that they are part of.

6.11 I'm not suggesting we don't already do these things. But we can always do more and be better. This is the day to day operational challenge for me as Chief Executive, the Corporate Directors and most importantly the Heads of Service, who ultimately have responsibility for the delivery and performance of their service.

Transformational Change:

6.12 The delivery of the cross cutting Corporate Plan and the day to day core functions in services is a significant challenge in itself. But, however hard we try and however well we perform in these areas, we are potentially destined to fail in the longer term because of the financial context and external challenges we face, as outlined above.

6.13 We therefore need a third approach, a medium to long term transformational change to our established way of doing things. Some will have reservation about change, as they will want to protect the way we currently do things, as they believe that will best serve our communities. But trying to protect the status quo will have longer term implications to the sustainability of what we are able to do, which will be to the detriment of our communities. Therefore, we must be brave now in order to give us time to assess and implement the big transformational changes that are needed.

6.14 We have to all accept that the health and wellbeing of our communities is more important than institutional interests. This must be reflected in our future vision. We must accept that the Council may not always be able to provide services directly and may not always be the best organisation to deliver certain services. Provided that good, efficient services are supplied to our communities, whoever provides them shouldn't be the major concern/issue. Particularly as the alternative might be no service at all.

7. What do we mean by Transformational Change?

7.1 There are a number of options we need to consider;

Influence demand for Services:

7.2 This will involve new ways of delivering proactive preventative services encouraging greater individual and family independence along with wider community resilience and capacity. Without such an approach demand will just keep increasing beyond the point we have the resources to respond. We therefore need to focus on restricting the ever increasing demand for certain services.

7.3 The importance of restricting demand for services is particularly acute in social care. We need greater preventative activities that can slow down the increasing demand for care services for our young, our ageing and our vulnerable residents. We can ensure our residents are supported in many different ways, which can limit their future demand for Council services.

7.4 Such preventative work does not need to be located exclusively within social care teams. In fact, I support the view that they should be located outside of traditional social care settings, so that they are given the resources necessary to be effective. Having those preventative services within social care functions does run the risk that they can get "lost" against what is always seen as the higher short term priority of addressing the social care needs. We need to do both.

7.5 The preventative work doesn't need to be provided by the Council alone. Working with the third sector and other partner organisations we can use our position of influence to add value to what other organisations are able to achieve.

7.6 Changing demand in this way is not a quick fix. It will take time before the return on investment is realised, but if successful it will have long term benefits to the Council and our communities.

Collaboration/Partnership Working:

7.7 We need to continue to develop practical ways for achieving improved service outcomes through co-production and integrated services with partners. Whilst there is much going on in the region in terms of collaboration, we have to be better at evaluating its effectiveness, seek improvements as appropriate and find new opportunities.

7.8 By working with a wide range of partners we can develop collaboration solutions to common problems/issues and local aspirations, which will be more efficient and cost effective, whilst still benefiting of our communities.

Regional Governance:

7.9 Welsh Government have now established regional government as an alternative to Local Government Reorganisation (LGR), with the establishment of the Corporate Joint Committees (CJCs). The North Wales CJC will require investment and resources from the partner organisations in order to ensure it is properly established and effective.

7.10 Being a partner in regional government provides us with an opportunity to influence agendas that as individual Council would not be possible. The Economic Ambition Board is a good example of this. By having a regional governance framework, we have attracted circa £240m of government funding for the region. By improving the regional economy and social wellbeing we also ensure improvements for our communities in Denbighshire.

7.11 We need to identify senior leadership resources in order to maximise the opportunities for our communities as a result of the new CJC.

Government Funding initiatives:

7.12 We have for many years attracted much capital investment from Welsh Government and Europe. The European funding streams have ended, and are being replaced by new UK Government funding opportunities such as the Levelling Up Fund, Community Renewal Fund, Shared Prosperity Fund etc. These funds are being administered by UK Government direct to Local Authorities and regional government.

7.13 We need to ensure we have the senior leadership capacity to attract these alternative funding opportunities and the management/governance arrangements to ensure we can effectively deliver the projects for the benefit of our communities.

Alternative service delivery models:

7.14 We can continue to explore innovative new models of service delivery. We have shown the potential for such an approach by establishing Denbighshire Leisure Limited (DLL) to deliver our leisure functions.

7.15 Such alternatives need a clear business plan before they should proceed and can include Trading Companies (such as DLL), Social Enterprises etc. as alternatives to services directly managed by the Council.

7.16 We learned through the creation of DLL that there is a requirement to invest in appropriate corporate support, including senior leadership, project management, finance etc. If we are to consider introducing more alternative delivery models we need the appropriate senior leadership capacity.

Internal Initiatives:

7.17 Digital services will be crucial to establishing more efficient methods of supporting and delivering our services. Covid has shown us what is possible in terms of how modern, innovative digital services can deliver transformational change in terms of flexible working. Our associated New Ways of Working (NWOW) programme will build on what we have learned during Covid and if well planned should deliver savings and efficiencies in terms of the number and use of our office buildings, staff travel, reduced sickness, general service delivery efficiencies, work from home etc. We require appropriate senior

leadership capacity and management systems to ensure we maximise the opportunities and create a flexible, agile, high performing, engaged and empowered workforce, while at the same time supporting the health and wellbeing of our staff.

7.18 We face issues with recruitment and retention of staff, which can be addressed by creating the right culture where we grow and develop our managers and leaders of the future, where officers have a clear career path and are trained to meet the new challenges ahead. This requires strategic vision and senior leadership commitment.

7.19 We also need to be more effective in addressing the constitutional challenges that the Local Government elections will bring. We need the senior leadership capacity to support our Members in how they engage with the organisation, so that they can better serve their communities.

Conclusion on transformational change:

7.20 Our ability to effectively plan and implement these potential transformational changes will depend on securing increased strategic and senior capacity within in our senior leadership team. Should we be successful, we will reap the rewards in terms of savings, cost avoidance, service resilience etc. which in the long term will sustain services and benefit our communities.

8. Conclusion:

8.1 We require a senior leadership structure that acknowledges the history and culture of the organisation in terms of where we are, along with a clear understanding of the external challenges we face including potential reduced funding and increased budget pressures.

8.2 That senior leadership structure requires increased capacity to plan medium to long term transformational change, alongside the delivery over the next 4 years of our ambitious emerging Corporate Plan, whilst also delivering our day to day services to an acceptable level having regard to the allocated resources. This all needs to be delivered within the context of the 5 principles and 4 values guiding the type of organisation we want to be.

8.3 We need to realign our leadership and management skills and structure to best position ourselves to mobilise the transformation change needed and make the necessary difficult decisions. We need the capacity to allocate resources appropriately to motivate and train our staff, deliver services and projects that enhances our communities and the Council's reputation.

8.4 A strategic direction that is not focused just on making cuts to service to sustain budgets that are forever under pressure, but a more positive approach that looks to invest in alternative methods of service delivery, that transforms the way the Council works, a confident Council that is outward looking, that supports its communities. A Council that does the right things and makes the right decisions.

8.5 The start of this journey is to ensure we have the appropriate senior leadership team and structure in place. Delivering this strategic vision can only happen through collective leadership, accountability and creating the right culture. As Chief Executive I will be accountable for delivering this vision, but I need the appropriate senior leadership structure in place to take responsibility for delivering on these aspirations and ambitions.

8.6 I have laid out by proposals for a review of the senior leadership team and its structure, in my second paper, which is entitled, "A Review of our Senior Leadership Structure". In considering my vision for strategic development, you need to have regard to my proposals for a new senior leadership structure.

Graham H Boase

Chief Executive

February 2022

APPENDIX 2

A Review of the Senior Leadership Structure

By the Chief Executive

1. Introduction:

1.1 This is a consultation paper on my proposals to restructure the Council's Senior Leadership Team (SLT) and should be read together with my paper on the Vision & Strategic Direction for the Council.

1.2 The consultation is aimed at SLT who have until 20th February to put their views to me in writing.

1.3 Within the consultation period I also intend to make both papers available for their information to Cabinet (via Cabinet Briefing), the political groups within the Council (initially via Group Leaders) and Middle Managers.

1.4 Depending on the feedback to the consultation, I propose to take the review of the senior leadership structure to Council for a formal decision before the Pre-Election Period which commences on 18 March.

2. Existing Structure:

2.1 **Appendix 1** to this paper shows our existing SLT structure.

2.2 In brief SLT currently comprises 13 senior manages;

- 1 x CEO
- 2 x Corporate Directors
- 9 x Heads of Service (including S151 Officer and Monitoring Officer)
- 1 x Managing Director of Denbighshire Leisure Ltd (DLL)

2.3 The 2 Corporate Directors, Head of Finance & Property (including S151 Officer) and Head of Legal, HR and Democratic Services (including Monitoring Officer) all report directly to the Chief Executive.

2.4 The Head of Education, Head of Children's Services, Head of Community Support Services and Head of Communications & Customers report to the Corporate Director Communities.

2.5 The Head of Planning, Public Protection & Countryside, Head of Highways & Environment and Head of Business Improvement & Modernisation report to the Corporate Director Economy & Public Realm.

2.6 The Managing Director for DLL is responsible to the DLL Board and links into the Council's management structure, being a member of SLT.

3. Issues with the existing structure:

3.1 Overtime the structure has been subjected to incremental changes. It is however some time since there was a holistic review/rationalisation of the whole structure. That is what is now required.

3.2 Both Corporate Directors and 2 Heads of Service report directly to the Chief Executive. The 2 Heads of Service have responsibility for a wide range of functions. It is not appropriate to have this mix of reporting lines to the Chief Executive.

3.3 The S151 Officer has specific strategic and corporate responsibilities. In the current structure the S151 Officer is also a Head of Service for a wide range of functions including finance, property and assets. This is too much operational responsibility for the S151 Officer given their corporate financial responsibilities and represents a corporate risk. This is also recognised and acknowledged by the S151 Officer.

3.4 The management of our corporate support functions are too dispersed, being spread between 4 Heads of Service, 2 of which report to the Chief Executive, 1 to the Corporate Director Communities and 1 to the Corporate Director Economy & Public Realm. This matrix management approach has grown through incremental change and means our corporate support functions are too fragmented.

3.5 Both Corporate Directors, in addition to their corporate responsibilities, have very diverse groupings of services for which they have strategic overview. Whilst not reducing the level of responsibility we should look for greater synergies in the service groupings.

3.6 The Heads of Service also have service units that cover very diverse functions. This makes them generally more difficult to manage effectively. Whilst not reducing the level of responsibility we should look for greater synergy of functions with services.

3.7 The diversity of responsibilities of the Corporate Directors and Heads of Service make it difficult to align corporate support to Lead Members.

3.8 Given the size of services all Heads of Service are now on the top pay grade for Heads of Service. One consequence of this is the size of the gap between Heads of Service and Middle Managers, which inhibits succession planning and career development.

3.9 We have 2 senior management groupings. The Chief Executive, 2 Corporate Directors, Section 151 Officer and Monitoring Officer meet as the Corporate Executive Team (CET). All 13 senior managers meet as the Senior Leadership Team (SLT). There needs to be clearer distinction between the role of CET and SLT.

3.10 Overtime Heads of Service have been required to become more corporate, this was particularly the case when the previous Chief Executive disbanded CET. There needs to be a clearer distinction between the role of Corporate Director and Head of Service.

3.11 The Corporate Risk Register (Risk No.30) identifies a risk that the senior leadership capacity to sustain service and corporate performance is not available. Due to a lack of capacity at SLT there are real strains and stresses on individuals and the structure as a whole, which has an effect on our ability to effectively manage and lead the organisation.

4. Opportunity to review the SLT Structure:

4.1 Whilst the current senior management structure has served us well overtime I am firmly of the view, for the reasons highlighted above, that it is no longer the right structure to provide for the Council. We need to ensure we have the appropriate leadership and senior management capacity to address the issues highlighted in my vision for our strategic direction.

4.2 I want to make it absolutely clear at this point that there is no criticism of the individuals which make up SLT. The issues are structural and organisational in nature and are not about individual capabilities or performance. On the contrary I believe we have excellent senior managers and leaders at SLT.

4.3 We are carrying 2, soon to be 3 vacancies, out of the 13 senior managers who make up SLT. The time is therefore right to realign our leadership capacity to address the concerns highlighted above and to deliver on my vision for our strategic direction.

5. Options considered:

5.1 I have considered proposing a “flatter” senior management structure which did not include Corporate Directors, with Heads of Service reporting directly to the Chief Executive.

5.2 I was concerned that such a structure would have too many direct reports to the Chief Executive, with Heads of Service understandably focussing on their own service areas, leading to silo working (and thinking), an over emphasise on narrow operational matters and a clear lack of corporate and strategic capacity. Such a structure would lead to an inappropriate culture to address the challenges we face.

5.3 I also considered no change to our structure and to simply recruit to the 3 vacant posts. However, I have already concluded that the existing structure will not best serve myself as Chief Executive or the Council in terms of the strategic direction we need to take.

6. Broad principles for a new management structure:

6.1 I therefore concluded the following broad principles need to be addressed in any new senior management structure;

- There needs to be a level of Corporate Directors between the Chief Executive and Heads of Service.
- There needs to be increased capacity at Corporate Director and Head of Service level.
- The Corporate Directors and S151 Officer will report to the Chief Executive, with changes to existing responsibilities.
- Corporate Directors alongside the S151 Officer and Chief Executive will form the CET and take collective accountability and responsibility for delivering our strategic direction.
- S151 Officer to be given more capacity to focus on the important corporate responsibilities that come with the S151 role. This will be at Head of Service level, managing predominantly finance and associated functions.
- There will be clear roles and responsibilities between Corporate Directors and Heads of Service and between CET and SLT.
- The restructure process to be open and transparent involving SLT, Middle Managers, Cabinet, Remuneration Panel, Group Leaders and Council.
- There is no necessity for any redundancies as the restructure is in part is about providing additional capacity into the senior management structure.
- Any additional costs will be kept to a minimum, realigning the structure using existing resources as far as is reasonably possible, whilst accepting there needs to be some investment in our senior leadership/management structure.

7. The proposed new senior management structure

7.1 **Appendix 2** to this paper is the proposed CET structure comprising 3 Corporate Directors, I am proposing to create a 1 new Director post alongside the current 2 Director posts and the S151 Officer. It shows on an indicative basis how the existing service units could be grouped under each Corporate Director.

7.2 **Appendix 3** to this paper is the proposed CET structure and shows on an indicative basis how the various functions could be grouped under each Corporate Director.

7.3 All job titles, service and functions groupings below Corporate Directors are indicative for the purposes of this consultation and subject to change.

8. How the proposed structure will function:

8.1 There are still 4 direct reports to the Chief Executive; 3 Corporate Directors and the S151 Officer. These 4 Officers, with the Chief Executive comprise CET.

8.2 The CET structure that provides corporate leadership can be described as;

❖ Leader	Chief Executive
❖ Support	Corporate Director Support Services (including Monitoring Officer role)
❖ People	Corporate Director Social Services & Education
❖ Place	Corporate Director Economy, Environment & Community
❖ Finance	S151 Officer & Head of Finance

8.3 CET to have corporate and strategic responsibility for delivering the Council's overarching vision and strategic direction including leading on the necessary transformational changes, embed the 5 principles & 4 values of the organisation, ensure we deliver the Corporate Plan, oversee the Corporate Risk Register, monitor the budget, support Cabinet and Lead Members etc.

8.4 CET will therefore work with Cabinet to set the standards for strong corporate leadership, making difficult decisions and driving change throughout the organisation.

8.5 Corporate Directors will have a pivotal role in delivering these challenges. They will represent the Council at the strategic level in terms of regional/collaborative working with partners, whilst providing appropriate support and challenge to the Heads of Service.

8.6 Section 151 Officer will have Head of Service responsibilities for finance and any directly associated functions.

8.7 Each Corporate Director will be allocated to support one of the 3 Scrutiny Committees.

8.8 Heads of Service to focus on managing their services in all aspects including performance, budget, staffing etc in order to ensure the basics are right, improve customer relations and enhance the reputation of the Council within our communities. Heads of Service will be supported in this work by the relevant Corporate Director and S151 Officer.

8.9 Heads of Service will also support CET in delivering the wider strategic objectives.

8.10 Detailed Service Business Plans will be produced on an annual basis, the performance of which will be subject to formal challenge procedures involving CET and Members.

8.11 Heads of Service will also be required to work closely with relevant Lead Members on specific operational matters in their portfolio and the wider Council Membership on related community issues.

8.12 A Head of Service will be allocated to support each of the MAGs.

8.13 DLL is not directly affected by these proposals. Given the range of functions delivered by DLL on behalf of the Council and the fact that DLL is owned by the Council, they are included in the consultation process.

9. Benefits & outcomes of the proposed new structure:

9.1 The proposed structure will address the corporate risk regarding lack of senior leadership and management capacity

- ✓ There will be clarity between the roles of Corporate Directors and Heads of Service and between CET and SLT.
- ✓ Provide greater certainty in our ability to deliver transformational change.
- ✓ Provide greater certainty in delivery of the ambitions in the Corporate Plan.
- ✓ Provide the opportunity for Heads of Service to be more specialist which will in turn have benefits across the Council in terms of career development and succession planning.
- ✓ Provide more focus to ensure improvements in the day to day delivery of services to influence the reputation of the Council in our communities.
- ✓ It will help to deliver and embed the 5 principles and 4 values across the organisation.
- ✓ Provide more appropriate support to Cabinet, Lead Members, wider Council Membership and other elected politicians as local and national level.

10. The structure and process further explained:

10.1 With support from HR I have concluded that the proposed restructure will be in 2 phases.

Phase 1:

10.2 This Phase seeks agreement to create the new Director post alongside the existing 2 Directors posts, the S151 Head of Finance Services post and the membership of CET.

10.3 As described above, the 3 Corporate Directors have clear generic corporate responsibilities as members of CET and broad strategic responsibility for a significant portfolio of specialist functions/activities/service groupings with identifiable synergies.

10.4 The existing service groupings (Appendix 2) and the list of functions (Appendix 3) under each of the 3 Corporate Directors are only indicative at this stage, and are subject to potential changes as part of the Phase 2 consultation. Nevertheless, the main thrust and principle accountabilities for each Corporate Director is sufficiently clear to progress Phase 1.

10.5 For further clarity;

Corporate Director Support Services:

10.6 The service groupings will include all corporate support functions currently located in those service units that are predominantly corporate in nature. The exception will be S151 duties and functions that are finance related or with direct synergies with finance/S151 responsibilities.

10.7 This is not about seeking to remove support functions within front line services, unless there is a clear case to do so, in which case they may form part of the Phase 2 consultation.

Corporate Director Social Services & Education:

10.8 The service groupings will include all core functions currently located in Education Services, Children's Services, Community Support Services.

Corporate Director Economy, Environment & Communities:

10.9 These service groupings will include all core functions currently located in Highways & Environment Services, Planning, Public Protection & Countryside Services and Communities & Customers Service as well as Property services that are currently located within the Finance & Property Service.

S151 Officer and Head of Finance Services:

10.10 The corporate role of the S151 is significant and is well documented.

10.11 In addition to the S151 duties there will also be Head of Service responsibilities for all financial related activities, the details of which will be resolved during the Phase 2 consultation.

Nevertheless, the main thrust and principle accountabilities for the S151 and Head of Finance Services are sufficiently clear to progress Phase 1.

10.12 Just to confirm, the actual detail of what functions will be grouped within service units and what service units will be grouped under each of the 3 Corporate Directors will be considered under Phase 2 and will be the subject of a full and detailed consultation exercise. But the principle of the core groupings under each of the 3 Corporate Directors and S151 Head of Finance Service are sufficient to progress with Phase 1 and appoint to these posts.

10.13 Should the option to create a new Director post be pursued, there is a requirement that the post is assessed via the Council's Member Remuneration Panel. It is envisaged that the Remuneration Panel will meet ASAP. **Appendix 4** lists the Members on the Council's Remuneration Panel. It is the role of his panel the make pay recommendations of Chief Officer pay to Full Council. It is envisaged that the report to Full Council will be before the Pre-Election Period. There is a provisional Full Council date of 15th March.

10.14 If the Member Remuneration Panel and Full Council agree the pay of the new post, we can proceed to appoint to the 2 vacant Director posts in the structure. Normal HR processes will be applied. Due to the pay level of the Director posts, we are required to advertise the posts externally, followed by a member led shortlisting process, appointments will be made at Full Council via a recommendation from the Member Appointment Panel.

10.15 The requirement for any Member appointment in regards to Phase 1 will mean the appointment being delayed until the new Council is ready and able to make such a decision (e.g. June or July).

10.16 Whatever the requirement process for Phase 1, I am of the opinion that we will have a number of potential strong candidates for those positions.

Phase 2:

10.17 Phase 2 will be subject to a separate consultation process once we have implemented Phase 1.

10.18 Assuming we do proceed, Phase 2 will seek to review the functions within service units and review the service groupings under each Corporate Director.

10.19 Options regarding composition of services and service groupings will be influenced by how we appoint to the Corporate Director posts.

10.20 At this stage it is appropriate to only show on an indicative basis how the services units could be grouped together under Corporate Directors (Appendix 2) and how functions could be grouped under Corporate Directors (Appendix 3).

10.21 Clearly some existing service units will change as a result of the proposed core responsibilities for each of the Corporate Directors.

10.22 There could be further changes to the makeup of services depending on how the appointments of the 2 vacant Corporate Directors progress. Similarly, there could be changes to existing services by reviewing alternative synergies and moving functions within services. There will also be options around creating new services units.

10.23 Some of this discussion may also propose to allocate certain functions which are closely aligned to the S151 and Head of Finance Service to that service unit.

10.24 Whilst there is uncertainty for Phase 2, many issues are dependent on progressing Phase 1 and will therefore need to be the subject of a separate, detailed consultation at that stage.

11 Consultation:

11.1 This is the formal consultation document for SLT.

11.2 There is sufficient detail for SLT to comment on the proposal for Phase 1 i.e. the 3 Corporate Directors posts, the broad thrust of their areas of responsibility, the S151 Head of Finance Services post and membership of CET.

11.3 There is also sufficient detail for SLT to comment in advance of any Phase 2 consultation on the groupings of services and functions under the 3 Corporate Directors and the Section 151 Head of Finance Services posts. But as stated these will in any event be the subject of a further consultation exercise as part of Phase 2.

11.4 As part of this Phase 1 consultation process I also intend to provide updates to;

- Cabinet Briefing (meetings on 7th Feb and 7th March)
- Group Leaders (and possibly individual political groups)
- Middle Managers

12. Risks:

12.1 SLT are not supportive of the proposals.

12.2 That Cabinet Briefing, Remuneration Panel, Group Leaders, Political Groups, and Council are not supportive of the proposals.

12.3 The extent of the proposals and the length of time to implement them could cause understandable concerns for SLT, Middle Managers and all staff. This is understandable, but inevitable when embarking on a consultation of this kind. The alternative is to not pursue the restructure, however for the reasons articulated in this paper and my views on our future strategic direction I am firmly of the view this is not an option. I think this risk can be mitigated by good communications, and I commit to ensuring there is regular communications regarding the progress.

12.4 In addition, I emphasise:

- This is not about the capability or performance of individuals or Services; it is about addressing issues with the way the senior leadership team is currently structured/organised.
- It is about adding additional capacity to the senior leadership team, which will create potential opportunities for Heads of Service and Middle Managers.
- It will close the gap between Heads of Service and Middle Managers providing for better succession planning and career development opportunities.
- It is not about making savings.

13. Conclusion:

13.1 Please do not read this consultation paper in isolation. It needs to be read alongside my other paper, "Vision and Strategic Direction: A View from the Chief Executive".

13.2 I believe these proposals for the restructure of our senior leadership team will result in us having a senior leadership team that can proactively plan the transformational changes needed so we are on the "front foot" in meeting the many challenges ahead. We can do this while still delivering on our ambitious Corporate Plan and providing day to day services for our communities at an agreed level commensurate with budget allocations.

13.3 I am seeking the views of SLT on Phase I of the proposal i.e. the 3 Corporate Directors posts, the broad thrust of their areas of responsibility, the S151 Head of Finance Services post and membership of CET.

13.4 In addition, I'm interested in any general views SLT might have on Phase II, although please remember the detail of Phase II is yet to be established, and will in itself be subject to a separate detailed consultation exercise.

13.5 Any other comments on this proposal and my vision for our strategic direction are welcomed.

13.6 You have until 20th February to provide your comments in writing.

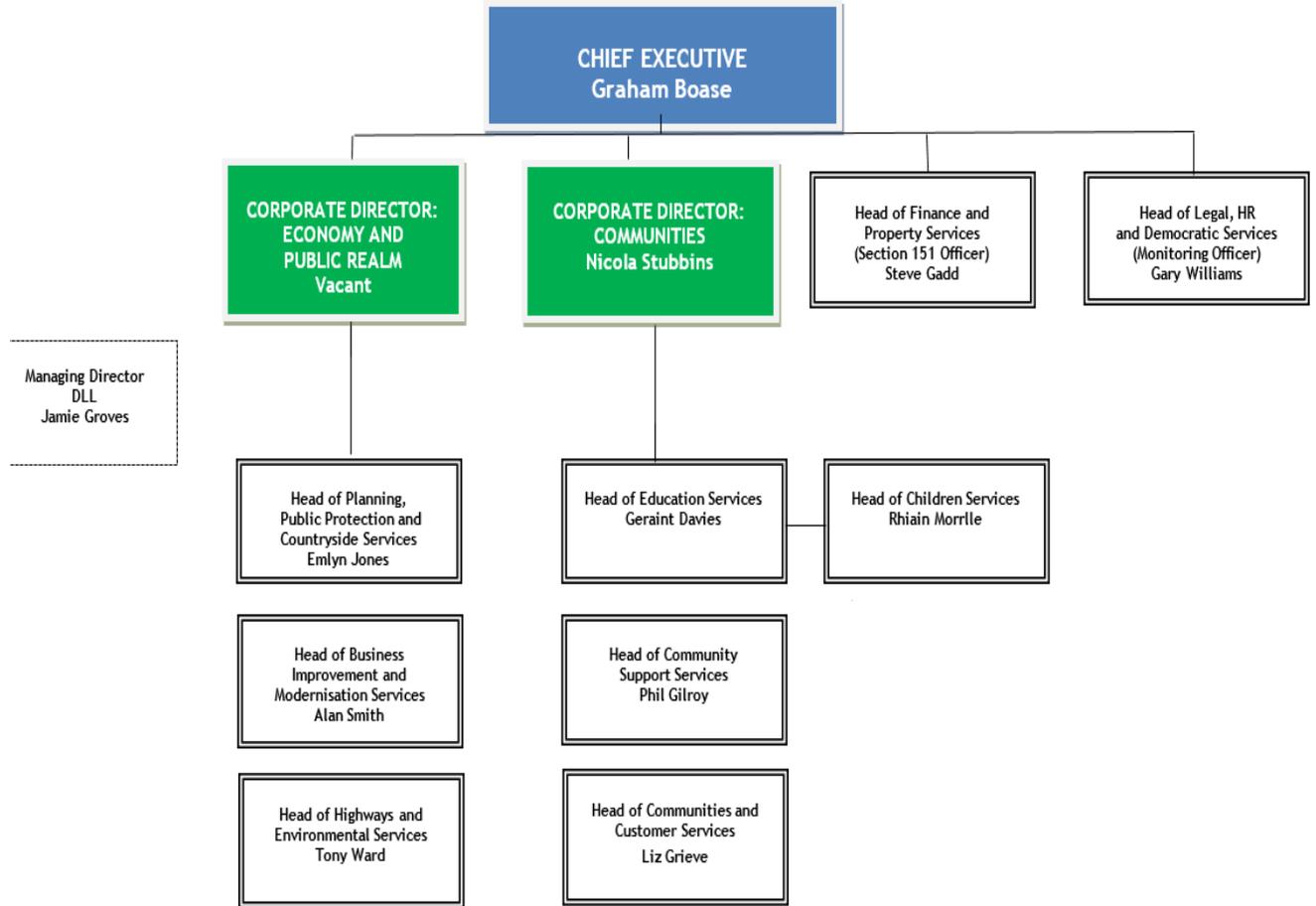
Thank you.

Graham H Boase

Chief Executive

1st February 2022.

SENIOR LEADERSHIP TEAM
(1ST FOUR TIERS)



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APPENDIX 4

Denbighshire
Leisure Limited

Chief Executive

Corporate Director of Social
Services & Education

Corporate Director of
Support Services

Corporate Director of
Economy, Environment &
Communities

Head of Finance
Section 1-5-1

PHASE 1

Head of Service
Community Support
Services

Head of Service
Legal, HR & Democratic
Services

Head of Service
Highways & Environmental
Services

Head of Service
Education & Children's

Head of Service
Business Improvement &
Modernisation

Head of Service
Planning, Public Protection
& Countryside Services

Head of Service
Communities & Customers

Property Services

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PHASE 2

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APPENDIX 5

A Review of the Senior Leadership Structure

Summary of Benefits

The new Corporate Director Support Services will allow all corporate support services to be bought together under the responsibility of one Corporate Director, thus giving clearer accountability.

Bringing together the corporate support services under a single Corporate Director will bring improved effectiveness and deliver efficiencies.

The Corporate Director Support Services will have the responsibility of driving forward and co-ordinating support for Welsh language and culture across all service areas.

The Corporate Director Support Services will have responsibility for leading on transformational change, delivery of the Corporate Plan and other corporate initiatives.

We will have a stronger Corporate Executive Team (CET) taking accountability and responsibility for the corporate direction of the Council and overall delivery of front line services i.e. we will strengthen strategic scrutiny and corporate decision making.

There will be clearer links between CET and Cabinet in terms of delivering corporate direction.

There will be clearer links between Heads of Service and Members in terms of delivering front line services.

There will be greater clarity between the roles of Corporate Directors and Heads of Service and between CET and SLT.

Heads of Service will be more focussed on delivering the front line services and will be accountable for ensuring necessary improvements to front line services.

There will be an opportunity for Heads of Service to be more specialist which will in turn have benefits across the Council in terms of career development and succession planning.

The Section 151 Officer will have more focus on managing the budget and the Council's financial responsibilities.

We will have sufficient senior leadership capacity to influence regional and partnership working for the greater benefit of our communities.

A more efficient and effective senior leadership and management team.

All of SLT have supported the proposals, recognising the need for additional senior leadership/management capacity to deliver the necessary improvements and address the future challenges

APPENDIX 6

A Review of the Senior Leadership Structure Summary of consultation responses from SLT

Introduction:

All 9 Officers that currently comprise SLT have responded to the consultation on the proposals for SLT. What follows is an extract from each of the responses.

Officer 1;

Having read all the documents in relation to the SLT Consultation and the proposal for how the review of the Senior Leadership Team will be managed through a phased approach, I can see why it has been suggested to move forward in this way and the strategic vision and general direction of travel is clear.

Officer 2;

I agree with the Phase 1 proposals. The additional senior level capacity is welcomed and will absolutely help us to deliver the vision and the current risks that we are facing. It will also help to support the ever increasing regional work i.e NWEAB, CJs etc, which we need to be influencing at a strategic level. I agree with the proposal of bringing all support functions under one corporate director.

Officer 3;

I support the proposed increase in capacity at Corporate Director and Head of Service level, believing it necessary to ensure the successful delivery of the Council's ambitious vision, clear strategic direction and need for transformational change.

Officer 4;

In conclusion I support the proposal in Phase 1 of the review and understand the 2 phase approach that will be guided by the results of phase 1. I look forward to the phase 2 consultation and at this moment in time fully support the review of both phases.

Officer 5;

Given the context of the vision and strategic direction I agree that there is a lack of capacity within the current senior leadership structure to be able to consider the sort of transformational change that is likely to be required in the face of the financial constraints ahead, and the new dynamics of regional government and UK Government interventions. In terms of support services, they will be hugely important in supporting transformational change. In order to be able to that effectively they need themselves to be delivered in the most efficient models possible.

Officer 6;

I hope that you receive the support you need from Members to implement your proposed structure, as I believe it will provide a much stronger foundation for SLT to tackle the challenges that lie ahead. It will also enable the council to become more strategic in outlook, and to become more effective and efficient as a consequence.

Officer 7;

I would just like to formally record my support for the proposed changes to the CET level included in Phase 1. I also support the principles and intentions of Phase 2, although obviously I'm sure there will be lots of discussion on the detail of that. In particular, I would like to highlight my support for:

- Strengthening of the role of CET
- Increased resources at CET level will help provide and strengthen the strategic scrutiny and decision making
- Separating out support services from front line services will I believe allow service areas to focus on their areas of expertise
- Continued membership of the Section 151 Officer on CET
- Discussions around the closing of the gap between the current Middle Manager Roles and SLT2 level – this I believe will broaden the knowledge base of SLT and hopefully allow for those experts in their particular field to be heard at SLT level.

Officer 8;

Your overall vision for a restructure looks right in order to achieve the ambition for the Council, and I welcome it. The renewed focus introduced by your Five Principles would benefit from greater capacity at the top of the organisation. Separating out the corporate and operational leadership of the organisation makes sense. Having Corporate Directors responsible for cross-cutting programmes and initiatives can free up Heads of Service to focus on service delivery and performance improvement.

Officer 9;

I think your proposals for the new Senior Leadership structure is necessary for the senior leaders within the council to deliver on the vision – particularly by providing clarity over the roles of Corporate Director and Head of Service, by clarifying line management v's performance management, and by clarifying accountability of post holders. I welcome clarity of roles and relationships. It addresses a shortage of capacity that is quite frankly not sustainable and is based on good will, whilst it also recognises that there will be increased pressures and demands in the future – it is a sustainable proposal. It addresses the need to focus on strategy and on operational matters whilst not blurring the two