
Creation of an Additional Executive Director (People), and a Transformation Service Director Role

Committee considering report:	Council
Date of Committee:	16 March 2023
Portfolio Member:	Councillor Lynne Doherty
Date Portfolio Member agreed report:	08 March 2023
Report Author:	Nigel Lynn (CEO)
Forward Plan Ref:	C4345

1 Purpose of the Report.

- 1.1 It is crucial that the Council has sufficient capacity at senior level to continue the operations of the organisation and is able to respond to challenges that face the Council. The changes to our services, expectations of our customers, and the workings of the Council have all changed significantly since the Covid-19 pandemic. The increasing pace of change to digital services, accessibility and availability of current and potential services place new demands from our customers on the Council that need to be responded to.
- 1.2 The senior management structure of the Council has been subject to a variety of reviews over recent years. This report's purpose is to set out the proposed senior management structure, with greater resilience in the People Directorate to respond to the challenges facing that Directorate. Following the recent resignation of the Executive Director (People), a review has taken place and it is recommended to create two separate roles (currently one) for an Executive Director (People – Adult Social Care & Public Health) and Executive Director (People – Children's Services).
- 1.3 Furthermore, to speed up the transformation process for Council services, improve efficiency for residents, and save expenditure, a temporary (two year) secondment role is proposed, entitled Service Director (Transformation), within the Resources Directorate.

2 Recommendation(s)

2.1 To:

- (a) create two Executive Director (ED) posts (currently one) in the People Directorate; an Executive Director (People - Adult Social Care & Public Health) [the (DASS)] and an Executive Director (Children’s Services) [the DCS] and delete the Executive Director – People post.
- (b) create a new fixed term (two year) Service Director (Transformation) post.
- (c) delegate to the Service Lead for HR, in consultation with the Head of Paid Service and the Portfolio Holder for Internal Governance and Strategic Partnerships, authority to update the Statutory Pay Policy to reflect these proposals if approved.

3 Implications and Impact Assessment

Implication	Commentary
<p>Financial:</p>	<p>Additional funding will be required for two ED (People) posts at P grade, rather than one ED at a higher Q grade (£154k per annum incl. on costs). Funding of £87k is available from the restructuring reserve. For 23/24 this is proposed to be used as follows:</p> <p>(1) Immediate recruitment to the additional Executive Director post at a full year cost of £154k, but due to expected timescales for recruitment there is a cost of £103k for 2023/24 assuming an appointment from August 2023.</p> <p>(2) Immediate recruitment of the SD (Transformation) post, funded by the transformation fund.</p> <p>The above could be partly funded by the use of the restructuring reserve of £78k and £25k from possible changes to the post of Service Director (Communities, & Wellbeing) pending proposals further in this report.</p> <p>For 2024/25 an investment bid will need to be approved for the long term funding of the additional ED post with ongoing costs of £154k plus inflation. The annual cost of the Service Director (Transformation) post will be in the region of £126k - £135k. The post-holder (SD Transformation) will report to the Executive Director (Resources), The post holder will also work closely with the CEO to help speed up revenue savings through transformation of services.</p> <p>Whilst it is difficult to determine the savings the SD (Transformation) role will create, it is essential that savings are made through this role. A cautious minimum of £100k ongoing revenue pa is anticipated, but once the programme is established, the opportunity to save a much greater amount is feasible. The expectation is that the post will enable savings</p>

Creation of an Additional Executive Director (People), and a Transformation Service Director Role

	that at least cover the cost of the post and provide the feasibility of business cases to deliver more.			
Human Resource:	Effective and clear communication will be required prior to any recruitment processes being commenced. UNISON have been informed of the proposal. Consultation has been held with senior managers to seek any alternative views in November 2022 and February 2023.			
Legal:	The Head of Paid Service (the CEO) is required under the Constitution to determine and publicise a description of the overall structure of the Council, showing the management structure and deployment of Officers (Rule 2.10.1). This report ensures effective compliance with that duty.			
Risk Management:	There is limited risk, but may create challenge from current post-holders based on their own expectations.			
Property:	None.			
Policy:	This proposal is impacted by HR policies and procedures in relation to Job Evaluation, Pay and Grading, Organisational Change and Redundancy and Recruitment. The proposals already take account of these policies			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?	X			Once posts are created they would be advertised internally for all staff to be able to apply for as in all other posts. Once any new posts are created they will be re-evaluated based on up to date information.

Creation of an Additional Executive Director (People), and a Transformation Service Director Role

B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?	X			As above.
Environmental Impact:		X		None.
Health Impact:		X		None.
ICT Impact:	X			The creation of the SD (Transformation) provides more stability & direction for ICT.
Digital Services Impact:		X		The creation of the temporary SD (Transformation) will help to improve the digital efficiency of the Council and, therefore, will not only improve services to the customer, but save money for the Council as well.
Council Strategy Priorities:	X			A more efficient Council will enable the new Council Strategy to be delivered in a more cost effective way.
Core Business:	X			The transformation change programme that will be created by the temporary SD (Transformation) role will improve the Council's overall efficiency and core business for the customer, whether internal, or external.
Data Impact:		X		None.

Consultation and Engagement:	Internal consultation has taken place and UNISON have been informed of this report and the consultation.
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4 Executive Summary

- 4.1 The proposal is to create two Executive Director (ED) posts (currently one) in the People Directorate; an Executive Director (People - Adult Social Care & Public Health [the DASS]) and an Executive Director (Children's Services) [the DCS], and to create a temporary (two year) Service Director (Transformation) post.
- 4.2 The Corporate Leadership Team are keen to transform a number of Council services to improve efficiency, customer interactions, organisational capacity and save money. IESE have been working with the Council over the last 18 months to establish the Council's transformational opportunities. IESE is a public organisation created by Local Authorities to help Councils deliver transformation and service improvement programmes. They are a Not-For-Profit social enterprise organisation with a successful track record of improvements over 16 years. The creation of an internal resource (at Service Director level) would greatly assist the need to overcome resistance to transformational change, maintain pace and create financial savings.

5 Supporting Information

Proposal

- 5.1 To create two Executive Director (ED) posts (currently one) in the People Directorate; an Executive Director (ASC & Public Health) [the DASS] and an Executive Director (Children's Services) [the DCS]. Following the resignation of the Executive Director (People) the opportunity has been taken to review the 'double-hatted' joint approach of covering both adult services (as the DASS) and children's services (as the DCS). A consultant's review (January 2023) has concluded that more improvements could be made to the focus on both adult and children's services if the role was split into two separate roles (see Appendix A). In the meantime, an interim internal appointment for the current Executive Director (People) role has been made, with effect from February 2023. With the large scale of the People Directorate, the high level of risk involved in its services and the growth in acute cases, and further external advice from the Local Government Association and South East Employers, the CEO strongly supports separating the ED (People) post into two roles and establishing appropriate senior management support. There are currently only 22 shared DASS/DCS posts in the country out of 155 posts and the number of 'double-hatted' joint DASS/DCS posts are continuing to reduce.

When the two ED roles have been filled, the CEO will request the post-holders to review the interim positions beneath them and bring recommendations forward for consideration for permanent appointments.

- 5.2 **To create a temporary (two year) Service Director (Transformation) post.** A new transformation programme for all Council services, through a prioritised business re-engineering approach, will drive improvements to our customers, provide good value

Creation of an Additional Executive Director (People), and a Transformation Service Director Role

for money, improve our financial position and increase organisational capacity. Following on from our work with IESE, the Council's digital strategy will be re-visited to enhance this programme. To correlate with the Council's ambition for a transformation process, an internal resource will enable progress more quickly by creating officer capacity. The transformation of services is a "spend to save" approach, and will speed up the Council's revenue savings. The current economic climate does not encourage considering increasing staffing levels; however, the need for reform and savings is essential and, therefore, cannot wait.

- 5.3 The Service Director (Transformation) role will need its grade evaluated. This new "transformational" role will work across all levels of the Council. Their focus will be on co-ordinating and leading the transformation programme across the whole Council. The post-holder will work directly to the Executive Director (Resources), but will also work with the CEO, all other Executive Directors, Service Directors, Head of Service, Service Leads and the Council's Executive Members (particularly the Portfolio Holder for Transformation), to deliver a programme of work that will result in revenue savings through efficiencies. As such, the SD (Transformation) will attend relevant internal senior management meetings in the Council's internal governance structure.
- 5.4 It is anticipated that the SD (Transformation) post will be filled internally, assuming good candidates step forward. Funding for this post internally will be available from the use of transformation funding.
- 5.5 Within the next 12 months the structure of the Resources Directorate will be reviewed in relation to opportunities within the current structure and the possible future role of the Council's transformation agenda.
- 5.6 Appendices B and C show the current and proposed structures accordingly.
- 5.7 As South East Employers undertook the initial management review in 2019, the Chief executive engaged them to review the proposals contained in this report. They have confirmed their opinion that the proposals in this report are appropriate having regard to the current circumstances. The two relevant statements from the report are:

2.10 ICT and Transformation are high profile areas within all local authorities. These areas are critical to drive forward innovation and underpin new ways of working, communications with communities. Innovation here offers more efficient interactions with the Council and greater resilience going forward in service delivery, particularly since the Covid pandemic.

2.12 Of particular note is the proposed creation of an additional Executive Director post to separate Adult Services from Children's Services, together with their statutory roles. It was recognised in the 2019 SMR that a single ED covering both areas could be too wide-ranging and complex, although it suited the circumstances in 2019. However, significant risks were identified by Chris Baird [See Appendix A] in not creating this separation, and an opportunity has been identified to achieve this through further natural wastage.

HR Process

5.8 Appointments to the role of the temporary (two year) Service Director (Transformation) will be based on current recruitment and redundancy policies and will be advertised internally only, initially, as with all previous posts through a member appointment panel. Job descriptions will be provided and the grades evaluated. Consultation responses have been considered. Expressions of interest from internal candidates, short-listing and interviews will follow, in keeping with the current recruitment process for this grade.

Financial Implications.

5.9 The costs of the new posts versus, where applicable, relevant established posts has been summarised below.

	Existing funding	Future additional funding requirement 2023-24	Future additional Funding requirement 2024-25
Service Director (Transformation)		Transformation funding £126k	Transformation funding £130k
x 2 Executive Directors*	x 1 ED (Q grade)	x 2 EDs (P grade) £154k full year cost – assumed to be £103k with new post holders in place by 1.8.23 £103k	£154k plus inflation new funding £154k
Total		£229k	£284k

*Full year cost of £154k plus inflation for new ED post by 2024-25. 2023-24 costs will be lower due to recruitment timescales.

6 Conclusion

6.1 These proposals bolster the resilience and management capacity for the People Directorate, as well as realign services into the Place directorate to integrate 'place' based services together. The SD (Transformation) role will speed up the pace of change across the Council, and ensure we are as efficient as possible.

7 Appendices

7.1 Appendix A – Executive Director Proposal

Appendix B – Current Management Structure

Appendix C – Proposed Management Structure

Subject to Call-In:

Yes: No:

- The item is due to be referred to Council for final approval
 - Delays in implementation could have serious financial implications for the Council
 - Delays in implementation could compromise the Council's position
 - Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months
 - Item is Urgent Key Decision
 - Report is to note only
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Appendix A

Review West Berkshire Council – Executive Directors Proposal Report January 2023

Chris Baird
CJB Leadership and Consultancy Ltd

A Introduction

1. This review was commissioned by the Chief Executive of West Berkshire Council to provide an independent assessment of the risks and benefits of moving from the current model of a single Executive Director, People operating as Director of Children's Services (DCS) and Director of Adult Social Services (DASS) (twin hatter) to separated Executive Director roles covering the statutory roles of DCS and DASS, alongside the continued oversight of additional services in the form of Education and Communities & Wellbeing (Leisure, Libraries, Public Health and Building Communities Together).
2. This assessment is compiled as a follow on from the work undertaken through the Education Review Oct 2022 to consider the senior leadership roles required to take forward the Education and Children & Family Services Departments within the Council. A short report has been requested to be appended to papers that will be considered by Full Council as part of the decision making process.

B Summary

1. There are significant challenges facing local authorities regarding Adult Social Care and Children's Services including Education. There are important inter-relationships to develop lead, influence and deliver community, preventative, early intervention and well-being, and public health support and services. West Berkshire would benefit from two distinct Executive Director roles, covering DASS and DCS responsibilities. The proposed existing pay rate would be competitive in the current market and would provide expertise and leadership, enhancing the CEX's senior leadership team and the work of West Berkshire Council.
2. Responsibilities for communities and wellbeing (leisure, libraries and building communities together) could sit within the remit of the new Executive Director Place. If this were to be implemented there are important relationships and service developments that will benefit from very close links with both the Adults and Children's Directorates. The responsibilities for leisure, libraries and building communities could also sit with the Executive Director for Adults but would widen the scope of that role in a way that might better sit with the Place Directorate. Whatever is decided on this aspect, it is recommended that the Public Health responsibilities and team sits with the Executive Director Adults role.

C Context

1. Adult social care faces significant challenges, that have existed for a number of years and felt more acutely in recent times including increasing demand; interfaces between health and social care sectors, including discharge from hospital; funding; capacity to

Creation of an Additional Executive Director (People), and a Transformation Service Director Role

innovate whilst also maintaining and improving services including for those with learning difficulties/disabilities; workforce availability, retention and capacity; influencing, working with and enabling local communities, services and individuals. The relationships with the voluntary and community sector as well as private providers are pivotal and require strategic leadership and development.

2. Significant changes to the health sector including the creation of Integrated Care Boards (ICB) also require leadership and time spent developing, contributing to the strategic direction and delivery. There is an increasing emphasis on quality and review and national plans for inspection of local authority services, including rating them and powers of intervention. These will need to be well planned for and led. A Director of Adult Social Services (DASS) is a statutory role and national guidance requires that the role be directly accountable to the Chief Executive (CEX), commensurate with the statutory role of Director of Children's Services (DCS).
3. The requirement for strong, strategic leadership for Children's Services, including education, social care, early help and the increasing focus on Special Educational Needs and Disabilities (SEND) has been set out in the accompanying paper detailing the Education Review of West Berkshire in October 2022. The Ofsted/Care Quality Commission (CQC) SEND area inspection framework has now been finalised and is much more exacting than the previous framework. This is one example of work in the sector that will require significant senior leadership capacity, alongside the development, direction, and oversight of the full range of services covered by the statutory role of Director of Children's Services, which should be directly accountable to the Chief Executive.
4. The current job description for the Executive Director (People) contains significant scope and remit including statutory functions of DASS and DCS, and a gross budget accountability of £235.853m, including £117m Dedicated Schools grant. This is c.65% of the Council's total budget requirement for 2022/23. There is now an opportunity for West Berkshire to look at what might serve the people of West Berkshire given that the present incumbent is leaving for a new role elsewhere.
5. Much has been achieved during the present incumbent's time as Executive Director People, including leading the area during the pandemic and its aftermath, providing and developing adult care, achieving a good rating in the most recent Inspection of Local Authority Children's Services and overseeing the strong delivery of education services in West Berkshire. Having an Executive Director People does enable a single position to have oversight of the full range of services that contain a significant focus on individuals. It can enable services to be drawn together to create a more seamless approach, to support innovation across age ranges and to make the most of any cross-cutting opportunities.
6. However, such a role also relies extensively on specialist roles reporting to it and in practice taking on much of what would be seen to be the core responsibilities of a DASS or DCS. There is a danger of a single point of failure at an executive level, covering a substantial portion of West Berkshire's business. The worlds of adult social care and children's social care are complex and more distinct than ever; the actual crossover from both a practice and strategic leadership point of view is relatively small. If West Berkshire is able to appoint two Executive Directors, one as a DASS and one as a DCS

Creation of an Additional Executive Director (People), and a Transformation Service Director Role

this would place the Local Authority (LA) in a potentially stronger position moving forward and provide greater capacity and leadership support to the CEX.

7. The function and breadth of Community Safety Partnership work, including West Berkshire's Building Communities has important aspects of work that involves children and adults. Approaches to such issues as contextual safeguarding, domestic violence, knife crime, county lines are intertwined with the work of Adult and Children's Services. How these aspects will practically function in any new arrangements will need to be established in detail. They could be led from within Place or within Adult Services, with strong interfaces with Children's Services. This is also true for leisure and libraries. Given the breadth of the proposed Adult Services Directorate, which should also include the Public Health responsibilities and team, it might be best to locate leisure, libraries and building communities within Place.
8. It is noted that there is a shared Director of Public Health for Berkshire West (West Berkshire, Reading and Wokingham), hosted by Reading. Each LA has a public health team alongside the shared public health team. It is not proposed that this changes. The relationships to deliver and develop community wellbeing, good health and early intervention are key to addressing the needs of children, young people, families and carers and adults and also influencing the demand for specialised and high cost services in Adults and Children's services. There will need to be a continued explicit emphasis on how these are taken forward for West Berkshire as a whole if new leadership arrangements are implemented.
9. An Association of Director of Children's Services (ADCS) report in April 2022 highlighted that there were 22 "Twin hat" directors across 152 LAs in England, the lowest number since 2010. The latest information notes that two further LAs are splitting their twin hat approach. The report noted that there are a number of LAs where the director has overall responsibility for children and adult services but, whilst holding the statutory duty for children's services, they do not also hold the statutory duty for adult services and were not considered "twin hat". Nevertheless, the report indicates the continued trend of LAs opting for separate directors for adults and children's services (including education). The report noted that there is an increasing trend in disaggregating services and reportedly low numbers of LAs combining services.
10. West Berkshire commissioned a review in 2019 to inform the senior management structure. This was carried out by South East Employers (SEE) and is referenced in the Education Review report. The report noted that the statutory role of Director of Children's Services could be located in either the Executive Director People role or the Service Director (Children and Young People). If the statutory role were to be delegated to the Service Director (and this would be applicable for the DASS role also) an additional payment would be made to recognise this arrangement. Currently in West Berkshire this would be between £5 and £7K per annum.
11. It has been noted that both the DASS and DCS role are expected in national guidance to be directly accountable to the Chief Executive and mutually comparable in terms of seniority. The SEE review in 2019 proposed a model whereby there could be direct accountability, but structurally a role could exist reporting to an Executive Director People whilst also presumably reporting to the CEO too. This adds complexity to leadership arrangements and could result in a lack of clarity over direction and

Creation of an Additional Executive Director (People), and a Transformation Service Director Role

accountability. Such an arrangement is rare, but as the ADCS report in 2022 notes it does sometimes exist, anecdotally occasionally in large Shire authorities.

Notwithstanding the SEE 2019 report, it is unclear what benefit this would bring to West Berkshire and how the requirement to have the DASS and DCS roles as mutually comparable would be fulfilled.

D Funding

1. Financially, an Executive Director for Adults and for Children would be paid up to £136k each. If West Berkshire were to opt for an Executive Director Children at £136k with an Assistant Executive Director/Service Director covering the DASS role at a lesser salary, even with a supplement, it does not appear either role would be competitive against current market rates for a combined DASS/DCS role or for a single post covering the DASS or DCS role, even with the £5k-£7k additional payment (see figures below for comparisons).
2. Additional senior management can be seen to be an expense and quite rightly is subject to much scrutiny. However, the areas of Adult Services and Children's Services, including Education cover approximately 65% of the Council's gross expenditure and also carry significant service and reputational risk. Two Executive Directors, one for Adults and one for Children would provide additional capacity and resilience at the most senior level in West Berkshire at a time when both areas face unprecedented demands.
3. In terms of the market, such roles would be in keeping with many local authorities including Unitary LAs. Salary might be proposed to be £136k which would be commensurate with other salaries within West Berkshire and contain the additional sum in recognition of the statutory responsibility of DASS and of DCS (Executive Directors for People and Resources both have this within their salaries).
4. A recent review of market rates has been undertaken to inform this work. It is worth noting that in the past 4-5 years it is reported that Director salaries have increased by 10-20% in response to market challenges. Higher salaries than those set out below, up to c. £195k for a DCS role currently exist, £178k for a DASS. For comparison some salaries are listed below:

Bracknell Forest Council Executive Director DASS and DCS combined		£165-£170k	125k population
London Borough Hammersmith & Fulham	DCS	£163k	183k population
Slough BC	DCS or DASS	£120-£140k	159k population
Cheshire East Council	DCS or DASS	£120-£136k	381k population
Reading BC	DCS or DASS	£117-£144k	174k population

D Conclusion

Executive Director roles, one for Adults and one for Children will provide West Berkshire with enhanced leadership and management capacity at the most senior level at a time of significant challenge and opportunity. They would provide specific expertise in key areas for West Berkshire and provide significant leadership and support as part of the CEO's team. A salary of up to £136k for an Executive Director Adults and an Executive Director Children,

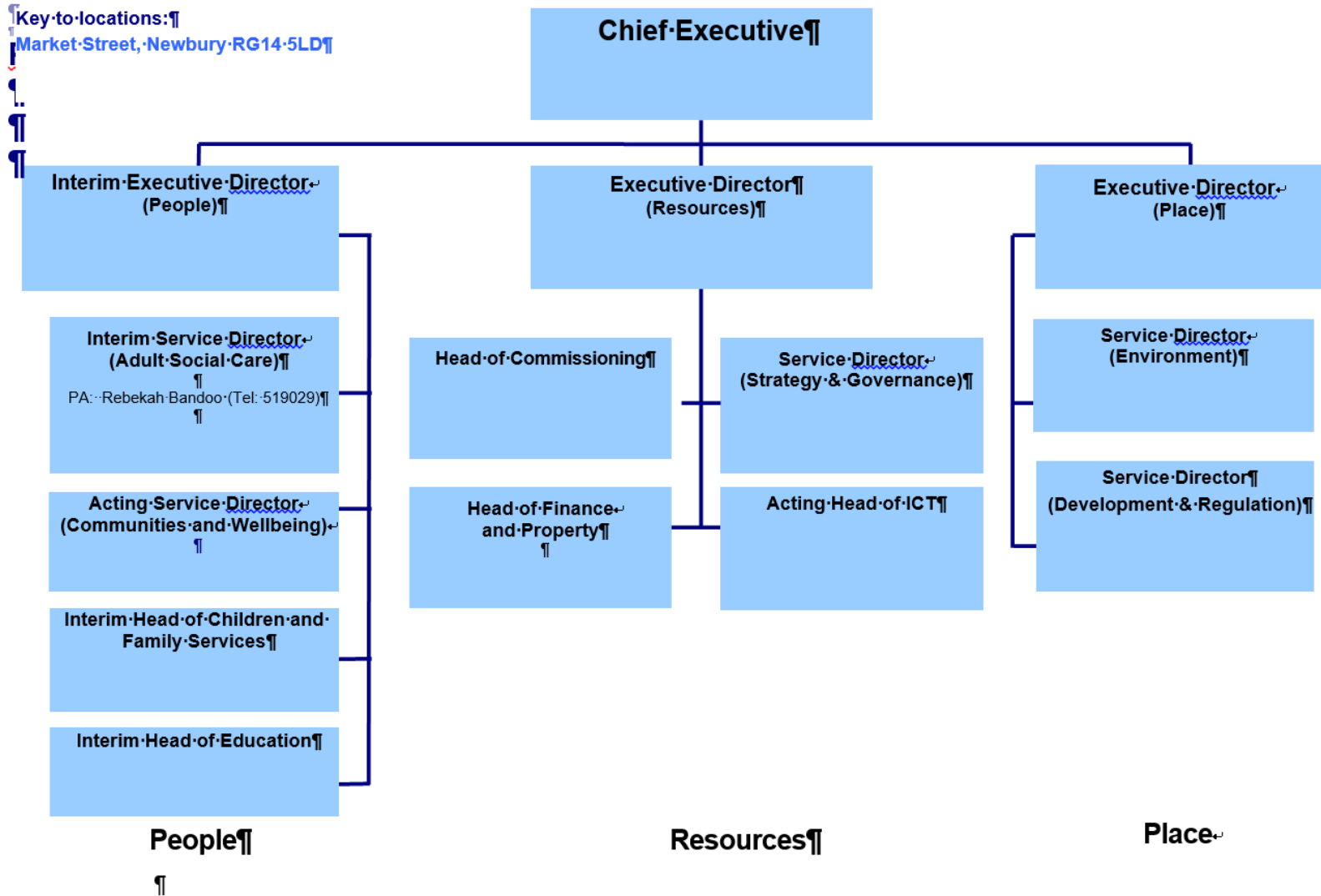
Creation of an Additional Executive Director (People), and a Transformation Service Director Role

covering DASS and DCS statutory duties respectively would place West Berkshire in a strong position to recruit and would be seen as competitive in the current market.

Chris Baird
CJB Leadership and Consultancy Ltd
12 January 2023

West-Berkshire-Council-Senior-Management-Structure (March 2023)

Note: All telephone numbers are direct lines. The area dialling code is 01635 if required.



Creation of an Additional Executive Director (People), and a Transformation Service Director Role