Good afternoon everyone and welcome to this special cabinet meeting to discuss my proposal for a new model of leadership for Wiltshire Council.

The proposal that I am putting forward today is a reflection of the position that Wiltshire Council is currently in.

Since our formation in April 2009, we have made radical and positive changes. Our work on merging five councils into one new unitary council was upheld nationally as exemplary, and a role model for managing change and making significant efficiencies. As many of you will know, we saved more than £14 million in our first year.

Since then we have made significant progress – we are transforming the way we work and the way we deliver our services. We have a vision; to create stronger and more resilient communities, and we have three clear goals;
• to provide high quality, low cost, customer focused services;
• to ensure local, open and honest decision making and,
• to work with partners to support all our communities.

We recently published our four year business plan, which sets out actions to ensure that our vision is delivered. Our plan is bold and ambitious but it is also realistic. It reflects the impact of the general election in May 2010 and what this has meant for us and our financial planning for the next few years.

We will not only have to absorb a cut of 28.4 per cent of grant funding from the government, but we will also have to respond to fundamental changes in the growth of the number of older people and younger people needing our services over the next few years.

This will mean we need to find at least £100 million of savings in the next four year period.

Being a unitary council allows us to be ambitious and to do more than other local authorities. For example, we will be able to invest over £85 million into frontline services and continue to protect the most vulnerable in our communities.
But, these financial pressures cannot be underestimated. Next year we need to find savings of £36 million.

In July, my cabinet met with the corporate leadership team to discuss and review where these savings could be found. At this meeting, the chief executive and corporate leadership team presented a proposal that management costs could be reduced by a further £500,000. This amount was in addition to the £8 million already saved as a result of reducing the number of managers by 220 earlier this year.

Over the summer period, I gave this proposal serious and extensive consideration and worked with my deputy leader to evolve the proposed senior management model, which is being considered today.

The proposal is a reflection of the strong position that we are currently in. We have a strategic four year business plan that sets out how we intend to manage the challenges we face in the next few years.

I am firmly of the view that our key priority is to focus on delivering this plan. It is in this context that the senior management model is proposed.
We must continue to deliver our front line services and minimise the reduction of resource in these service areas. We must do what is right for the people of Wiltshire.

The proposal focuses on delivery. It reduces our strategic capacity by deleting two posts; the chief executive and one corporate director, reducing the number of corporate directors from four to three.

Whilst some may consider the proposal to be radical, it is based on delivering what I believe is best for the people of Wiltshire at this time and over the next few years. It reduces resources from senior strategic posts in order to minimise the impact on our front line services.

I am aware that different models of leadership are being reviewed, applied and tested in other local authorities but it is difficult to make a direct comparison as each local authority will do what is best for their community.

I fundamentally believe that the proposal that we are considering today, is the best for Wiltshire.
The proposal must be considered in the context of the new style leader and cabinet executive model of governance which we adopted as part of our constitution in 2009.

Under this model the leader decides how executive functions are to be exercised within the council’s budget and policy framework, except where these are specifically reserved to the cabinet; for example proposing the budget to council or proposing new policies or amendments to existing policies.

In practice, in the interests of openness and transparency, the leader chooses to take significant policy matters to cabinet - such as the proposal we are considering today - but also has arrangements for delegation of executive functions to cabinet committees, individual cabinet members, area boards and officers.

The proposal envisages that the existing decision making arrangements will, broadly, remain the same, subject to any necessary changes to the officer scheme of delegation to reflect the removal of the chief executive post.
Advice and recommendations on decisions will continue to be put forward to cabinet by the corporate leadership team, and the leader and cabinet will provide the strategic direction of the council within the overall budget and policy framework set by the council.

It is envisaged that all corporate management decisions will be made by the three corporate directors, with the support and advice from appropriate senior officers.

In addition, the council will continue to have the jointly funded post of director of public health and protection and an extended leadership team consisting of twenty service directors.

This team has the knowledge, capacity and capability to continue to deliver excellent services and new initiatives for the people of Wiltshire in line with the business plan.

I invited feedback on the proposal from all our staff as part of the consultation process. A joint response was received from the current four corporate directors, affected by the proposal, and the joint director of public health.
Their response states their joint commitment to the proposal, and their view that the proposal reflects the changing role of local authorities and the requirement for new models of leadership to be developed and tested.

They outline their view of the role of the corporate directors and how the proposed new senior management structure could work to deliver the business plan, manage the budget and financial pressures and embed a culture that places our customers first, focuses on communities and working locally, and adopts a can-do approach in everything we do.

The corporate director’s role will change. There will be less focus on departmental performance and operations and more emphasis on corporate business planning, policy development with cabinet, and overseeing the direction of cross cutting, transformational change and improvement programmes.

The appointments process will include an assessment of the individual’s ability to remove silo thinking and working, and to focus on developing one culture and a corporate approach.
The detail of which service functions that will be aligned under each of the three corporate directors will be considered by the newly appointed corporate directors working closely with cabinet and will not form part of the discussion today.

This work will include the feedback received from staff during the consultation process. The final structure will be signed off by the head of paid service through his/her delegated power.

Their response also proposes that formal external appraisals for corporate directors are adopted. This replicates good practice and it is in the interests of the individuals, and the council, that robust appraisal processes are put in place.

The proposal will reduce annual management costs by approximately £200,000 in 2011/12 (this year) and will deliver full year savings in 2012/13 (next year) of £400,000. This is a saving of £1.4 million over the period of the current four year business plan.

We have a statutory duty to designate one of our officers as the head of paid service. Our constitution currently designates the chief executive. It can, however, be discharged by any officer, other than the monitoring officer.
The position has a duty, where they consider it appropriate to do so, to prepare a report to the council setting out their proposals in respect of staffing matters that are set out in the report.

The statutory role of the head of paid service most closely aligns with the responsibilities of our service director human resources and organisational development and it is proposed that the role is designated to this post, subject to council’s approval. I think it’s important to state that there will be no additional salary payment aligned to this role.

I recognise that the proposed designation of the head of paid service role to a post below the most senior level in the organisation, though lawful, could be seen to create a challenge for the postholder in discharging the role. However, in common with all of our other statutory posts that also sit at service director level, this approach indicates that we are not hierarchical and that we will ensure direct and unfettered access to senior decision makers on any issues where the statutory role is being exercised.
I am proposing that the corporate leadership team will be the three corporate directors and the service director human resources and organisational development, as head of paid service, as well as the director of public health and protection, solicitor to the council/monitoring officer, chief finance officer, director communications and service director policy, performance and partnership.

It will continue to be vitally important that our statutory responsibilities for safeguarding are met. There is no statutory requirement to have a chief executive for safeguarding purposes. However, in the absence of this post, I am suggesting that it may be prudent to include some element of external review to assist me in overseeing the effectiveness of the council’s safeguarding arrangements.

It is open to the council within the context of the challenging financial situation that we face to reduce the number of senior officers in the manner proposed.

Whilst the removal of the post of chief executive may be unusual for an organisation of this size, it is an option that the council may lawfully adopt.
It is necessary to ensure that the governance arrangements underpinning the proposed new structure are sound and robust, particularly with regard to decision making and accountability, and my proposal has been developed with this in mind.

Subject to cabinet’s approval of this proposal, the council’s scheme of delegation to officers will need to be revised to reflect the changes and to ensure that decision making responsibilities are clearly defined. This would be a constitutional change requiring the approval of council.

Other constitutional changes requiring council approval would include the designation of the statutory role of head of paid service, as I have already presented and the appointment of a returning officer.

We would also need to review the arrangements for supporting the lieutenancy and this would be the subject of a separate report to council. However, interim arrangements could be put in place, if necessary, pending council’s consideration of these matters.

The proposal involves the re-allocation of duties among fewer senior officers and therefore creates a potential redundancy situation for the staff concerned.
The council’s policy and process for redundancy will be followed to ensure fairness and minimise the risk of legal challenge.

Implementation of this proposal, if approved, will be carried out by the senior officer’s employment sub-committee and the officer appointments sub-committee. Any recommendation for the dismissal of the chief executive is subject to confirmation of the council.

I have already stated that the proposed model will reduce our annual management costs by approximately £200,000 this year and deliver full year savings next year of £400,000. This is a saving of £1.4 million over the next four years.

A review is currently underway to look at the administrative services that will be required to support the proposed new model. This review will deliver further savings.

The cost of any redundancies is difficult to accurately quantify at this stage until the individuals have been identified but will be in line with our policies. However, we do have a redundancy budget allocated for these one-off costs.
In conclusion, I would not put forward this proposed new structure if I did not have the belief and confidence in the council’s senior officers, working with my cabinet to deliver our ambitious business four year plan and make a real difference to the lives of people in our local Wiltshire communities.

I would like to take this opportunity to thank Andrew Kerr for all his hard work and commitment to Wiltshire. His contribution in delivering a clear strategic plan for the next few years has provided a strong foundation for the council to now move forward and be in a position to adopt a new model of leadership.

We are in a strong position and it is with this in mind that I would like to recommend that;

We approve the proposed new senior management structure attached in Appendix 1 at corporate director level on the understanding that the alignment of services below that level will be determined by the head of paid service following discussion by the corporate directors and in consultation with the leader and cabinet in accordance with paragraph 4.7 above.
And that subject to approving the new structure we:

1. Recommend to council to designate the statutory function of head of paid service to the service director human resources and organisational development.

2. Note that the appointment of the returning officer, the arrangements for the support of the lieutenancy and any consequential changes to the constitution, including the scheme of delegation to officers will be the subject of a separate report to council.

3. Adopt formal individual external appraisals for corporate directors.