

# GWYNEDD COUNCIL CABINET



## Report for a meeting of the Cabinet

**Date of meeting:** 7 May 2019  
**Report by :** Dilwyn Williams, Chief Executive  
**Title:** Management Review

### Decision Sought

- (a) Subject to (b) below, to agree with the Chief Executive's assessment that the managerial structure shown in Appendix A is appropriate and fit for purpose;
- (b) To agree to reduce the number of senior manager posts within the Council from 40 to 36 as noted in paragraphs 61-64 of the report creating an annual saving of between £297,000 and £313,000, noting that in doing so, it will bring the total cost saving from senior management reorganisation since 2014 to over £1m;
- (c) Whilst noting the requirements highlighted in paragraph 95 of the report, to agree to incorporate Gwynedd Consultancy within the Environment Department and to create a new Housing and Property Department in order to allow us to place greater focus on our Housing Strategy;
- (d) To note the further minor changes which are proposed as noted in paragraphs 76-88 of the report.
- (e) To delegate the authority for the Head of Legal Services to amend the Council's Delegation Scheme to reflect the changes as they come into effect.

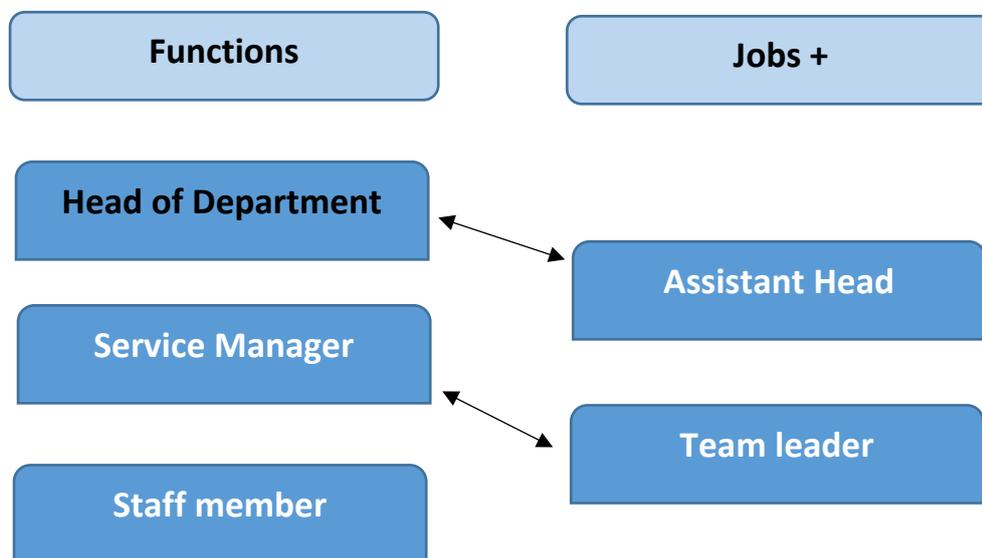
### Background

1. In May of last year, the Cabinet decided to commission a review of the management layers within the Council in order to ensure that our management arrangements were fit for purpose.
2. This arose from questions which were being asked of me at the time regarding the potential to reduce the number of managers bearing in mind the financial environment with which we are faced.
3. It is imperative that we monitor continuously to ensure that we do not have too many managers, especially at a time when we are facing challenging financial circumstances. On the other hand, we must also be alive to the fact that we are

completely reliant on good managers to lead our staff through the difficult situation we are facing.

4. Whilst it is the Chief Executive's role to report to the Cabinet on the staffing structure which is required to deliver the functions which the Council expect us to deliver, it is a matter for the Cabinet to accept his recommendations or not.
5. As part of the process of formulating such a report, I convened challenge sessions with the Departmental Heads in order to challenge the current position and in order that the Cabinet Members could hear the various points of view and were able to offer their own challenges and ask any questions which arose in individual departments, the Cabinet Members and Chairs and Vice Chairs of the scrutiny committees were also invited to those sessions.
6. Before conducting any review we need to be clear on the principles on which that review is to be based.
7. Our current management structure has evolved over a number of years from that which was put in place in 1996. It is an amalgamation of Departmental Heads' ideas and who we have to undertake particular roles.
8. There is a strength to this approach of course as it builds structures around the raw materials that we have at our disposal.
9. However, the Ffordd Gwynedd programme has now brought into sharper focus the need to be clearer regarding the roles of various jobs within the establishment based on Ffordd Gwynedd principles and ensuring that the Council's entire structure is consistent with those principles.
10. Ffordd Gwynedd has highlighted a role for managers with a different and more mature emphasis – that of leading rather than keeping control. Indeed a whole day of the Ffordd Gwynedd training course is devoted to this issue.
11. As a result, we have recently formulated a new generic job description for managers which identifies what is expected of them if they are to work in a way which is consistent with the principles of Ffordd Gwynedd. A copy is attached at Appendix A.
12. Very little of this job description revolves around “control” and it can be seen that the greatest focus is on leading, empowering and enabling as well as delivery.

13. In following Ffordd Gwynedd principles therefore, service teams and their managers are responsible for delivering that which is important for the people of Gwynedd and thus there is only one other function, that of Head of Department who leads a group of service managers. A copy of that job description is given in Appendix B.
14. Whilst all of the Council's workforce activities can therefore be summarised into 3 core functions (staff member; Manager; Head of Service), we have 5 types of jobs. Here and there we also have team leaders whose role is to assist service managers to fulfil their role; and Assistant Heads whose role is to assist the Heads of Department to fulfil their role.
15. This is shown in the following diagram



16. Above this structure of course we have the Chief Executive and two Corporate Directors whose role is to all intents and purposes to be Assistant Chief Executives (that is to say to assist the Chief Executive to fulfil his or her role)

### **Establishing the baseline**

17. As I saw the initial diagrams of departmental structures it became apparent to me that over time a number of jobs had evolved to contain the title of "manager" so that we had a number of individuals who were called managers despite the fact that they do not fulfil the role identified in Appendix A.
18. In addition we had a number of "Senior Managers" where it was not entirely clear whether they were undertaking the role of manager as noted in Appendix

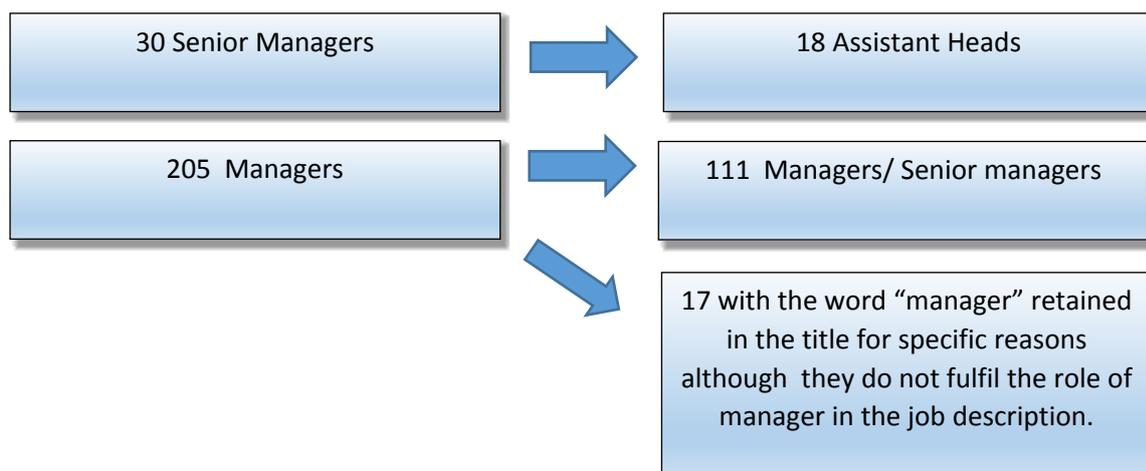
A or as Assistant Head of Department (which is to help the Head fulfil the role noted in Appendix B).

19. The initial diagrams I received showed that we had a structure in the Council which looked as follows –



20. From the above it can be seen that we had 235 posts with the word “manager” in their title – and there is little wonder therefore that some people consider that we have too many managers.
21. In reality, upon detailed examination, a number of these posts do not undertake the “manager” role as defined in the generic job description. The title of “manager” had often been given to a post as it was responsible for a system or project or something else rather than being responsible for **leading** a team of people to delivering a distinct service as noted in the job description.
22. In doing the challenge work we have now changed the titles of a number of posts to better reflect the fact that they are not managers in the newly defined sense and this has resulted in the revised departmental structures noted in Appendices 1 to 10.
23. This is the real position within the Council.
24. These diagrams also differentiate between those senior managers undertaking the role of manager as defined in the job description and those undertaking the role of Assistant Head.

25. As a result, this means that the Picture has changed to that shown below -



26. It should be noted that in Gwynedd Council, very few of our managers are “full time” managers – that is to say doing exclusively managerial work. In the vast majority of cases, in addition to the requirements arising out of the generic requirements of the manager’s job description, they also deal with specific tasks within a team.

27. In any structure we also need to ensure that we provide sufficient opportunity for our best staff to develop and gain promotion. Without these opportunities, we could see our better staff within Gwynedd Council move to other authorities (who would be glad to have them). That is to say, reducing the number of managerial posts is not always a good thing – especially if they also undertake specific tasks within the team.

28. Another consideration in the context of Ffordd Gwynedd is the expectation for managers to be in the work and alive to that which is happening there. If the managerial function is undertaken at too high a level this principle is then eroded and that undermines our ability to work according to Ffordd Gwynedd principles.

29. There are examples where this has already happened within the Council where in my view, the reason for a sub-optimal service is a lack of managerial attention at a sufficiently informed level.

### **Conclusions on the appropriateness of the managerial structure**

30. As a first step, we are now clearer regarding who exactly fulfils a manager’s role and who does not. As noted in paragraph 25 above, in being clearer on that point we are also clear that we have 111 managers within the Council rather than the 205 people who were previously called managers.

31. Of course, this has only been achieved by ensuring clarity of roles rather than reducing the number of staff we employ. These individuals who are not now classified as managers continue to do key and important work to fulfil that which is important for the people of Gwynedd.
32. Thus, in considering the revised diagrams shown in Appendices 1 to 10, on the whole, and taking into account the fact that we are a business which spends £430m a year, and taking into account the variation in services which those managers lead, I am of the opinion that the structure of 111 managers is appropriate and that there is no case to impose a further reduction on departments.
33. In my opinion, the damage which could arise in doing so would be greater than any financial gain which could be made by following such a course of action.
34. Having discussed the issue with the Scrutiny Forum they seemed to concur with that assessment.
35. Heads of Department will continue to review the situation and be alive to any opportunity which might arise in a particular case to realise further efficiency savings as they have already been doing of course.
36. Within the Highways and Adults services there are examples of managers being responsible to another manager and this is inconsistent with the Ffordd Gwynedd principles and the job description noted in Appendix A. I am discussing that situation with the relevant departmental heads in order to rectify the situation. It is a matter of reporting lines rather than the need for the managerial role.

### **Appropriateness of the Senior Managerial Structure**

#### **Comparative Information**

37. Comparative information should not be the driver of our senior managerial structure in the Council. Our operating principles are different to a number of authorities due to the development of Ffordd Gwynedd, and as a result making meaningful comparisons can be misleading.
38. The fact that structures and job functions are so varied also makes meaningful comparisons difficult without detailed knowledge, and unfortunately getting hold of that detailed knowledge is extraordinarily difficult.

39. Despite that fact, I have received a superficial listing of the senior post structures at Head of Service or above in councils across Wales.
40. Whilst we have 12 posts (counting the Chief Executive, Corporate Directors and Heads of Service), it appears that there is a range of between 6 and 25 such posts in the other authorities in Wales.
41. Only 5 other councils have less than Gwynedd's 12 (6, 9, 10 and 2 x 11) with another 3 authorities having 12 like Gwynedd.
42. Having said as much one needs to be very careful with such comparisons. For example, one council has 25 such posts, but are they merely paying more to their "senior managers"? Does the authority which alleges to have only 6 have more senior managers? How are these authorities performing?
43. The number of Chief Officers is not the real measure of Senior Officers of course. In my opinion one needs to measure the totality of senior officers, and that information does not appear to be available at a sufficiently detailed level to be able to draw comparisons. We can however measure the situation in Gwynedd over time.
44. In 1996 the Council had 11 posts at Head of Service / Corporate Director / Chief Executive level. In the 2004 reorganisation, this increased to 18. By now we are back to 12.
45. However if we include the posts at the next level down, (senior managers) we get a slightly different picture.
46. In 1996 the Council had 43 posts at senior manager level or above.
47. By 2004 (despite the fact that the number of posts at Head of Department level and above had increased) this number had **fallen** to 41. In the diagrams now constructed, this number has reduced further to 40.
48. Within this general reduction, what is notable is that there has been a significant increase in senior posts within social care, whilst we have seen the number of senior posts in the field of corporate and support functions decrease from 14 to 10.
49. There is an argument that the increase in social care can largely be attributed to increased partnership working and legislative pressures in the care sector, but the conclusion that can be drawn is that our Senior management structure

does not appear to be out of place and that it has been reducing gradually since 1996 despite the increasing pressures.

### **Conclusions regarding the structure of Departmental Heads/ Assistant Heads**

50. The diagrams shown in Appendices 1 to 10 show that we have 27 posts undertaking Departmental Head or Assistant role.
51. The rationale for having Assistants is obvious in that the span of control and spheres of activity would make it impossible for one individual to carry out the entire role on his or her own.
52. In recognising that it is the managers and their teams who create value by fulfilling that which is important for the people of Gwynedd, it must also be recognised that the Head of Department and Assistant role is one of adding value, and we should be entirely satisfied that the numbers that we have are appropriate.
53. We must however guard against undervaluing the function which the Head of Department and Assistants undertake. It is these officers who set the direction for all managers and ensure that they lead their teams to focus on delivering that which is important for the people of Gwynedd. It is they who will also step into the breach if something goes wrong or if significant change is required.
54. They are fundamentally important to the council's success and for ensuring that Ffordd Gwynedd principles are embedded throughout the establishment.
55. Unfortunately there is no one formula to determine how many we need and the answer to that question will remain a matter of opinion.
56. Rationally, the number we need will depend upon a combination of 3 general factors namely –
  - Number of managers;
  - To what extent the managers themselves undertake their roles effectively; and
  - How much “change” affects the areas under consideration.
57. Accepting that it is a matter of opinion, and that there is no formula, it is impossible for me to categorically say that the current structure is the

minimum that is needed. There is a question to answer whether we could do with fewer Heads of Department / Assistant Heads.

58. The only way to prove such a hypothesis is to do it and see what the effect would be. From looking at the overall picture I tend to think it ought to be possible.
59. In discussing the matter with the Scrutiny Forum, they seemed to concur with this assessment and accepted that the only way to prove the hypothesis would be to try and cope with fewer and see what happens, but they were wary of doing so too quickly and suggested that it should be done gradually.
60. In looking at the structure diagrams and the factors noted in paragraph 56 above, it seems to me that we could consider doing with fewer in the following departments -
61. **Environment Department** - Three Assistants and a Head of Department seems excessive and I consider that we should try and cope with a reduction of one post.
62. **Corporate Support Department** - The Department Head has already noted during the challenge sessions that as managers become more comfortable in fulfilling the role identified in the new job description, the input required from the Head or Assistant reduces. I think that there is a case for reducing the number of such posts by one.
63. **Gwynedd Consultancy** - In the light of the number of managers and the number of areas of activity, having a head of department and assistant seems excessive and we should try and do with one fewer.
64. **Highways and Municipal Department** - As this department has two main functions - Highways and Municipal services, having 2 assistants and a Head of Department seems excessive and we should try and cope with one fewer.
65. **Economy and Communities Department** - As the shape and functions undertaken by this department have evolved, again there is an argument that having two assistants as well as a Head of Department may seem excessive. Having said that, I am aware that one of the Cabinet's priorities is to ensure that greater focus is given to the area of community renewal, and a Resource will be needed to support the Group of Cabinet members that has been established to improve the coordination of activity in this area. On that basis therefore I suggest that we do not reduce the numbers in this review.
66. This would entail endeavouring to cope with 4 fewer senior manager posts.

67. Time alone will tell whether we can cope with the above reduction but an examination of relative departmental structures make me believe that it should be possible.
68. One indicator of Fordd Gwynedd's success ought to be the need for fewer senior manager posts to lead managers and we may now be seeing the first dividends.
69. Of course if we find that we cannot cope with the reduction in any area then we may have to re-think but in the current financial climate it is incumbent upon us to try and do with less.
70. There is one area where I am concerned that there is no Assistant head and that is in the area of direct service delivery within Adults services. I have discussed this issue with the head of department and he intends to rectify the situation as part of the Home Care projects.

### **Directors**

71. In the same way we must challenge how many Heads / Assistant Heads we have, we must also consider whether we need two directors in addition to the Chief Executive.
72. As noted in paragraph 16 above the two directors assist me to fulfil my role with one director also fulfilling the statutory role of Director of Social Services.
73. Once again I would note that the only way to see if we could do with fewer would be to try and do so but perhaps there is less evidence that we would be able to do with less at this level.
74. The redundancy costs involved in order to conduct such an experiment would be enormous, and without any certainty that we could do with less, with the risk that we would have to re-employ in due course. This would be a waste of resource.
75. I therefore suggest that the number of corporate directors should not be reduced at this point in time and that we look at the situation again should the opportunity arise to experiment without incurring redundancy costs.

## **Wider considerations**

76. The managerial review has raised a number of other issues which need to be considered and we should take the opportunity to address them.
77. One of these issues is of course the question of whether we should take the opportunity of the fact that the head of Highways and Municipal Services post is vacant to reduce the number of departments.
78. I am of the opinion that the number of departments is irrelevant and that it is the total number of senior posts which is the real issue. Taking into account that I am proposing that we reduce the number of senior posts by 4, and as it is important (as stated in paragraph 27 above) that we ensure sufficient opportunities within the Council to our best people, I do not propose to reduce the number of departments.
79. I therefore intend to retain the Highways and Municipal Department. However I do have some concerns regarding the rationale behind the structure as it stands in that it has in my view resulted in the development of an inappropriate culture within some elements of the department. I shall be following up on this issue with the Head of Department when a new one is appointed.
80. A Ffordd Gwynedd review is currently under way in the areas of planning and building regulation and although we have not seen the conclusions from both reviews, there is a suggestion starting to come through that it would be beneficial for these two services to be closer together at least.
81. The remaining services within Gwynedd Consultancy includes 5 managers who are largely undertaking functions of a commercial nature.
82. Whilst there is a very strong argument that they should be a separate unit due to the different commercial nature of their work, taking into account the fact that I have already proposed that having a Head and Assistant is excessive, I suggest that there is a strong argument to transfer the whole of the Gwynedd Consultancy function to be a wing within the Environment Department and I suggest that this be done.
83. On the other hand, Housing is obviously a priority for the Council and the Resource which we now have as a result of the second home premium gives us the opportunity to give a greater focus to this area of activity. I do not believe that this can be done whilst it is located within the Adult Services, Health and Well Being department which is already trying to give due

consideration to the enormous challenges which they face in the sphere of social care.

84. Some elements of the housing service clearly belong to the supporting people agenda within Health and Social Care but the supply of adequate housing in the county and giving help to our young people to be able to get a place to live is a matter which needs specific attention.
85. On that basis therefore I recommend that we establish a Housing and Property Department under the leadership of a Head of Department.
86. This would be a combination of the services which currently come under the Property Unit in the Environment Department along with the physical elements of housing currently located in the Adults Services, Health and Well Being Department.
87. There are other functions within the Environment Department which relate to roads and where I am of the opinion they would be better placed in the Highways Service within the Highways and Municipal Department.
88. There are also minor other functions in various departments where they might sit better in another department but I shall discuss these along with the exact boundaries for those functions noted in paragraphs 86 and 87 above with the relevant Heads of Department in due course before taking action to implement the proposals.

### **Timetable and Financial effects of the proposals**

89. As I have noted in paragraph 47 above, this Council has already reduced the number of senior posts from 44 in 1996 to 40 now, despite the fact that the pressures upon us have not reduced. Indeed, as noted in paragraph 49 they could be argued to have increased.
90. This report proposes a further reduction of 4 senior posts, bringing the figure down to 36 so that we can see whether we can manage with fewer senior managers.
91. As we do not know what the effect of appointing to empty posts will be I cannot be entirely clear regarding the financial savings involved but I estimate that the full year saving will be between £297,000 and £313,000 by implementing all of the report's recommendations with at least £223,500 available in 2019/20.

92. This sum will be available to contribute towards the £315,500 which still needs to be found towards the £500,000 additional efficiency target which forms part of the 2019/20 financial strategy.
93. This will also mean that we will have saved over £1m in the Council's senior management costs since 2014.
94. If the Cabinet agrees to the proposals, the intention would be to put them into effect as soon as possible, but to complete the whole Process by 1 September 2019.
95. Some of these recommendations have implications in relation to the employment of Chief Officers which are subject to the requirements of the Local Authorities (Standing Orders) (Wales) Regulations 2006/1275 as amended and Part 11 of the Councils Constitution. Implementing decisions in relation to some elements of the changes, particularly around payments and remuneration, will also involve decisions by the Chief Officer Appointments Committee and the Council.
96. This report deals with the Council's structures but naturally, there are implications for individuals who fill some of those posts. Those implications are noted in a separate appendix to this report which contains personal information about specific individuals which is therefore exempt under the provisions of paragraph 12 of Appendix 12A to the Local Government Act 1972.

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**Views of the Statutory Officers:**

**Monitoring Officer:**

The report seeks the support of the Cabinet to changes in the Councils management arrangements and the departmental Structures. It is appropriate to note that further steps will need to be considered and followed to bring the changes into operation. The recommendations provide a logical pathway for the Cabinet to consider in order to achieve the change.

**Head of Finance:**

I note that the recommendations in the management review before the Cabinet means moving some services, and establishing accountability in different departments.

The significant savings which can be reaped from the Management Review ( a net saving of between £297,000 and £313,000) will obviously be sufficient to meet the transitional costs involved (including redundancy costs which will be comparatively low, as posts have been kept vacant in order to facilitate this change). I confirm the accuracy of the figures in paragraphs 91,92 and 93 of the report.