

Report to: West Yorkshire Combined Authority

Date: 23 June 2022

Subject: **Organisational Evolution**

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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this report

- 1.1 In the context of increasing breadth, range and scale of Combined Authority activities, to set out proposed next steps to revisions to the Combined Authority's operating model, alongside work on vision/mission and culture/values, following the conclusion of an independent review.
- 1.2 To seek agreement in principle to changes to the Directorate configuration of the Combined Authority, including: the creation of an additional director level post; approval to utilise an extra tier in the senior management structure; and approval in principle for changes to director roles and responsibilities.

2. Information

Background

- 2.1 The Combined Authority was formed in 2014. Throughout its lifetime the organisation has changed and evolved as its remit has expanded, and structural and capacity changes have been considered and approved as additional responsibilities and funding have emerged.
- 2.2 The current directorate structure was created in 2016. This included creation of the Delivery Directorate, which consolidated the programme expertise of the organisation within a single area, alongside the development of a new assurance framework. Under this model, the organisation has had significant

delivery success including the 2016-20 Growth Deal programme¹, the 2017-20 Leeds Integrated Public Transport Programme, successful delivery of the first five years of the West Yorkshire Transport Fund and successful delivery of the Enterprise Zone Programme, Warm Homes and the Energy Accelerator scheme.

- 2.3 Most recently, and following the signing of the West Yorkshire Devolution Deal in March 2020, significant work has been underway to gear up for delivery under the Mayoral model. Prior to the election this involved delivery of the 'MCA Ready Programme', which created the Mayoral Office, the casework systems, and the resources needed to support the expanded scrutiny, committee and policy and project development activities. Significant papers considered by the Combined Authority on this include a detailed update on progress against each workstream in the programme in [July 2020](#), and a paper which made changes to the existing directorate structure to accommodate the Policing and Crime Team in [February 2021](#).
- 2.4 Once the Mayoral priorities were known, post May 2021, further changes were required to align to the increased breadth of Mayoral activity, and progress the additional funding and programmes associated with the Devolution Deal. Alongside this, significant additional funding has been secured for key programmes, in particular the City Regional Sustainable Transport Settlement, Brownfield Housing Fund and Bus Service Improvement Plan.
- 2.5 The response to these opportunities has included restructuring of directorates to incorporate the Policing and Crime function, creation of a Mass Transit directorate and approval for a new Director post to increase capacity across Economic Policy. These changes have enabled the Combined Authority to maintain a focus on delivery with partners and create capacity at priority pressure points as they have arisen. The background to this was summarised in the paper considered by the Combined Authority in [March 2022](#).
- 2.6 Despite these changes, the continued growth of the organisation due to the Mayoral devolution deal means that a more comprehensive review of the senior structure and operating model has been undertaken to ensure the organisation is best structured for the next five-plus years, with the flexibility to accommodate further growth, and be agile to changing needs.

Partnership Programmes

- 2.7 The Combined Authority operates wholly in partnership with the five West Yorkshire local authorities and recognises the need for partnership working to drive and shape any changes to the structure and operating model. Therefore, the future model needs to facilitate effective organisational management, decision making and accountability, taking into account models for working with local authority partners on commissioning and delivery. This report sets out proposed first steps in moving towards this new approach for consideration by the Combined Authority.
- 2.8 A partnership officer group ('Team West Yorkshire') has been working since the May 2021 election undertaking practical work to strengthen and deepen

¹ Independent Review of the Growth Deal published [here](#)

the partnership between the five local authorities and the Combined Authority. This work has informed the changes proposed in this paper.

Independent Review

- 2.9 In order to inform future changes, independent advisors (Deloitte) have undertaken a focused piece of work to review the organisation's capabilities and operating model and have devised a number of recommendations.
- 2.10 The independent review brings together detailed organisational data, understanding of best practice and the requirements of a future model as an evidence base, and makes a set of recommendations. The fundamental change is a proposed shift away from the current '*process*' based model towards an '*outcome/mission*' based model, giving greater transparency of senior accountability across key areas and a greater read across from job roles to key performance outcomes for West Yorkshire.

Reasons for Change

- 2.11 As outlined above, the Combined Authority has been on a significant change journey already, with pragmatic changes being made as and when required to accommodate growth and change in functions. However, the independent review highlights a number of challenges across the organisation which must be addressed to create a step change in effectiveness and unlock significant opportunity for the organisation to improve. Key challenges are as follows:
- **Vision and purpose:** While much work has been done to align corporate objectives to Mayoral and Combined Authority priorities, there is an opportunity to focus on a single unifying mission and vision statement, post Mayoral election, which can become embedded in values. Creating this is key to ensuring staff across the organisation can see clear read across from their role to positive outcomes for West Yorkshire.
 - **Senior leadership structure and capacity for growth:** Directorates have grown organically, which gives rise to some grey areas and unclear lines of accountability. In addition, capacity of supporting functions (such as corporate services) has not grown proportionately in line with the scale of service, project and programme delivery that the organisation is now driving, and this needs to be rebalanced.
 - **People strategy:** Effective recruitment and retention alongside supporting the wellbeing of a diverse workforce is key to enabling the organisation to thrive. Work is required to ensure the Combined Authority remains an attractive employer, which is competitive in the region, driving greater diversity, career development and with a strong learning focus.
 - **Turning policies into projects:** Work is required to build capacity and capability to turn policy initiatives into deliverable projects, across a range of sectors, and drive delivery at pace.
 - **Officer delegations and decision making:** As the Combined Authority grows, it needs to devolve officer decision-making to avoid bottlenecks and bureaucracy. Recent changes to delegations have started to

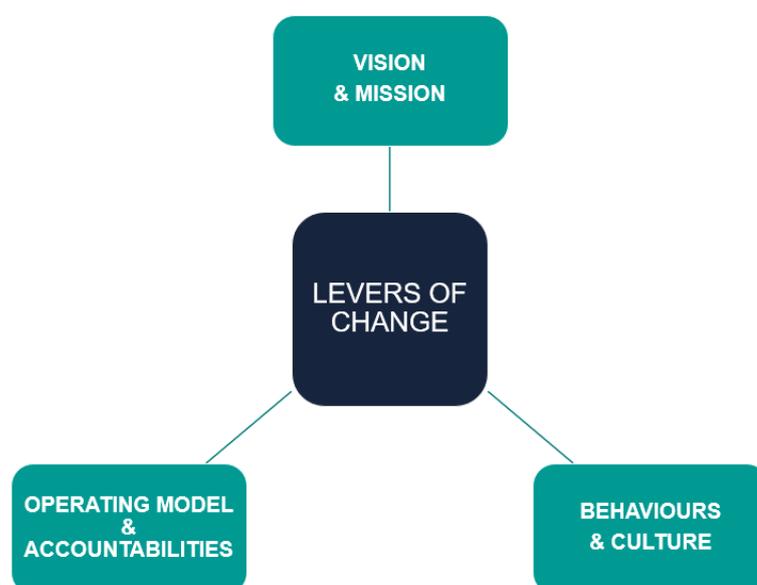
address this. Governance structures need to enable efficient decision making to support delivery.

- 2.12 The significant increase in funding which is now passing through the organisation further evidences the need for change. The budget approved in February 2022 reflected a step change in funding over the years. The gross revenue budget was agreed at £232m for 2022/23 and the indicative capital budget at £288m. Since then, further funding has been secured for the City Region Sustainable Transport Settlement of £830m (around £400m is new money), Bus Service Improvement Plan of £70m and allocations for UKSPF have been announced and it is expected that the capital programme will increase as project pipelines are progressed and further funding released from the Single Investment Fund to deliver approved programmes. Considered together this is more than double the funding that was coming to the Combined Authority when it was first formed in 2014. This significant increase in funding has not, to date, been met with any reflective increase in resourcing or the right structures to ensure the organisation can continue to operate in an efficient way that drives delivery.
- 2.13 In addition to the increase in funding, the breadth and diversification of organisational remit and responsibility away from a core focus on transport and into new areas such as culture, policing etc. means that the organisational structure needs to evolve to ensure there is parity of senior accountability across all areas of work, and that key functions within the corporate centre (Commercial, Finance, HR etc.) have the capacity required to support delivery going forward.

Levers of Change

- 2.14 To achieve the scale of change required to address the key challenges, action is required across three levers of change: vision and mission; behaviours and culture; and operating model and accountabilities. These are illustrated in Figure 1 and are considered in turn in the sections below.

Figure 1: Levers of Change



Vision and Mission

- 2.15 The review highlighted that while significant work has been done to refresh the corporate objectives, there is an opportunity for a single internally focussed unifying mission and vision statements which sit above these and are truly embedded in values. Therefore, now is a good time to define more clearly the mission of the Combined Authority, particularly in the context of being a vehicle to deliver Mayoral and MCA objectives. The Combined Authority will be the constant so requires the flexibility to deliver at pace on behalf of the Mayor, whilst also retaining its own identity.
- 2.16 Work has been ongoing in recent months between the Combined Authority and five West Yorkshire partner authorities to develop a shared vision for West Yorkshire as a place, and so the two pieces of work must be considered together and the relationship between them clarified.
- 2.17 Work is therefore required to establish a clear vision and mission for the organisation to build a shared sense of purpose both for colleagues and partners across West Yorkshire.
- 2.18 An initial draft of the strapline and mission is set out below for initial comment:

WYCA strapline: Working for a better West Yorkshire



WYCA mission: We develop and deliver policies, programmes and services which directly benefit the people of West Yorkshire



- 2.19 We will achieve our mission by:
- Working in partnership with the Local Authorities, West Yorkshire Police, business and our network of suppliers and partners.
 - Knowing and understanding our customers, communities and places.
 - Putting 'outcomes for West Yorkshire' at the heart of everything we do.
 - Prioritising our work based on the what's best for the collective whole.
 - Using data to make sure our projects and programmes impact the things that matter.

- 2.20 An initial draft of our vision is set out below for initial comment:

WYCA vision: A West Yorkshire that is prosperous, well connected, safe, inclusive and a hotbed of creativity and sustainability



- 2.21 This draft vision means we need to:
- Prioritise initiatives which drive inclusive and sustainable economic growth and prosperity.
 - Promote innovation, internally and across the region.
 - Give focus to tackling the climate and environment emergency – through every initiative.
 - Drive towards an efficient, world class transport system.
 - Continue our focus on delivering world class policing and enhanced community safety.
 - Provide a consistent and unified 'voice of the region', enabling West Yorkshire and the Mayor to proactively influence in government.

2.22 Once the strapline, mission and vision are confirmed there will be a further requirement to do a broader review of strategy, goals and objectives to ensure these are clearly aligned, building on the recent refresh of our corporate objectives. This is key to ensure colleagues can see how their role fits into achieving the overall vision and mission.

Behaviours and Culture

2.23 Behaviours and ways of working need to change alongside the organisational and operational changes set out in this paper to enable any new model to be effectively embedded. This will be planned for within any change programme which takes this work forward.

2.24 Key elements of this work will include:

- Supporting a shift away from siloed working practices towards a sense of shared endeavour and working towards wider organisational goals.
- Promoting greater read across to partner authority work and helping to create a sense of a single 'team' for West Yorkshire.
- Creating greater culture of empowerment through enabling officer decision making at the right level, to support effective delivery (progress already made through increased delegations is a great base to build on).
- Enabling more empowered level of leadership within middle management, through a revised and clarified Leadership Framework, will enable the senior leadership team to refocus on strategy. Appendix One sets out the Combined Authority's adopted values and behaviours, the detail of which is currently being revisited to ensure Equality, Diversity and Inclusion is fully embedded.

Operating Model and Accountabilities

2.25 The full benefits of change in the two areas outlined above cannot be realised without significant changes to the organisation's design and operating model. With this comes a shift in accountabilities and greater clarity over deliverables for each area of the organisation and outcomes required from each senior role.

2.26 This could include the following changes:

- Re-aligning the operating model and senior portfolios to provide a greater emphasis on outcomes, which would provide clearer lines of accountability and reduce the current overlap and 'grey areas' between directorates.
- Revisions to the current operating model, to shift away from a process based and towards an outcome focussed model. This would require considerable reorganisation of the current directorate structure and corporate infrastructure.
- Consideration of the delivery priorities of the Combined Authority, in particular the need to take forward substantial plans for Mass Transit across West Yorkshire, Bus Reform and additional policy areas of Culture, Inclusive Growth and Equality.

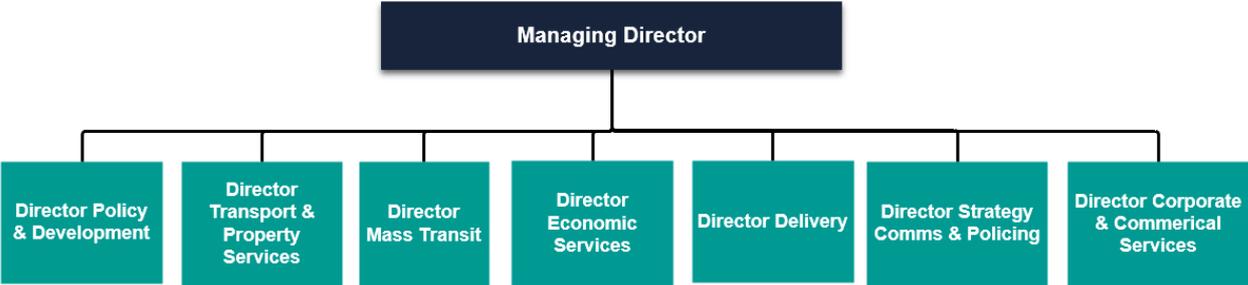
2.27 The future model needs to facilitate effective organisational management, decision making and accountability, taking into account models for working with local authority partners on commissioning and delivery.

Proposed Changes to Organisational Design

Current Operating Model and Directorates

2.28 The Combined Authority’s existing directorates are set out in the diagram below and can also be found in Appendix Two.

Figure 2: Current Directorates



2.29 The current structure represents a ‘process’ based model, with directorates structured around particular specialisms. This model worked well for a number of years and has benefits including enabling strong skill-based leadership within the organisation.

2.30 However, the review concluded that changes to the organisation’s operating model are required to address the challenges set out in paragraph 2.11 and to meet the objectives of the evolving organisation.

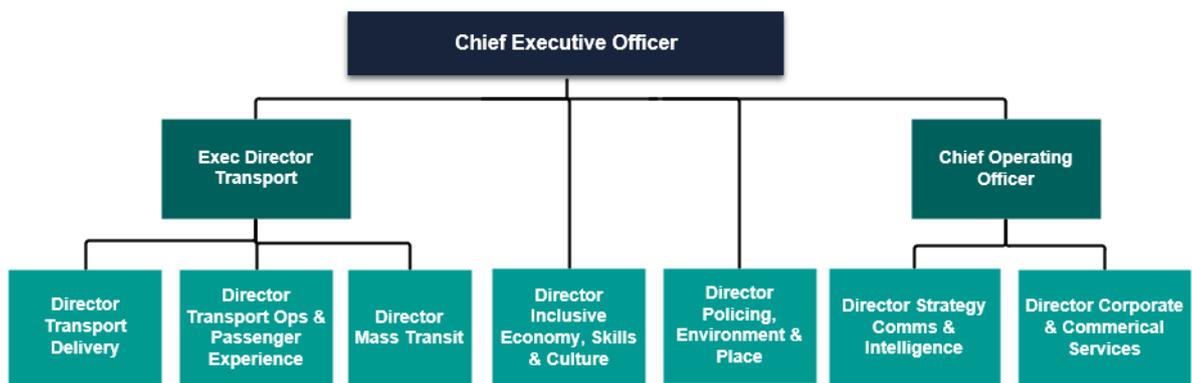
Proposed Operating Model

2.31 A number of options were considered as to how changes could be made to support the objectives of: improving accountability across the organisation and better linking work to outcomes for West Yorkshire; increasing senior capacity and accountability; and improving resilience and breadth of expertise across the organisation.

2.32 As set out above, the fundamental change is a proposed shift away from the current ‘process’ based model towards an ‘outcome/mission’ based model. This enables greater transparency of senior accountability across key areas, a greater read across from job roles to key performance outcomes for West Yorkshire and gives the organisation room to grow for the coming years.

2.33 A proposed set of revised senior roles is set out in Figure 3 below. The specific titles and accountabilities may be subject to change once the detail of which service areas sit where is worked through. This is particularly key for the areas which sit underneath the ‘Chief Operating Officer’, and further detail on this is set out in 2.31 below.

Figure 3: Draft Revised Senior Roles



2.34 The revised model set out in Figure 3 would enable the following benefits:

- Join up of policy thinking, pipeline development and project delivery more seamlessly across three key outcome areas: Transport; Inclusive Economy, Work and Skills; and Policing, Environment and Place.
- Alignment of delivery teams to outcome-driven directorates, supported by a stronger corporate centre.
- Orientation around outcome areas clarifies the senior point of accountability for the key areas which align to the Combined Authority's seven Corporate Objectives (see Appendix Two). For example, this clarifies responsibility for transport outcomes which are brought together through a single Executive Director for Transport with oversight for transport policy, delivery, operations and mass transit.
- Strengthen the corporate centre through creation of a Chief Operating Officer (working title), which would strengthen functions such as strategic finance, business planning etc. The detailed design of the corporate centre needs to be worked through in more detail, but it is expected the Chief Operating Officer would undertake the day-to-day running of the organisation and take a cross-directorate role on the achievement of outputs and outcomes. The options for which service areas report into which of the three director roles in this arm (Chief Operating Officer / Director for Strategy, Communications & Intelligence / Director of Corporate and Commercial Services) need to be considered as part of the programme of work, to ensure that any changes enable appropriate senior accountability for these key corporate functions and that the span of accountability for each director role is proportionate and appropriate to enable strategic oversight.

Key Implications

2.35 The paper approved at the [March 2022](#) Combined Authority meeting set out the need for increased capacity across Transport and the Economy and created one additional director post. This role has not yet been progressed/ recruited to due to the need for a more holistic review of the senior roles, as set out in this paper. The proposed model set out in Figure 3 requires the creation of one further director level post, to bring the total number of directors eight to nine.

- 2.36 This paper is seeking approval for one additional director post and the amendment of existing roles in line with Appendix Two. The working draft key accountabilities for each role are set out in Appendix Three. These are a starting point for discussion and may change and develop as this work progresses and the final Director Role Profiles are developed.
- 2.37 Further reports will be brought to meetings of the Combined Authority or Finance, Resources and Corporate Committee to take further decisions as appropriate (e.g. to approve revised Director Role Profiles). The detailed programme of work will be developed following feedback/approval to progress at the June Combined Authority meeting, and the plan may be brought forward in phases as needed.
- 2.38 The proposed model includes the creation of two Executive Director level roles, which would create a new tier between the existing Director level and the Managing Director (proposed to change to Chief Executive Officer under this model). This remains within the existing organisational design principles of the organisation, which allow for up to seven management tiers. The proposed scope of these Executive Director roles is set out below, and this will be further refined as the work progresses.

Executive Director for Transport

- 2.39 Key accountabilities of this role would include:
- Ensuring the customer is at the heart of all transport matters, working with senior leadership to ensure continuous performance improvement.
 - Providing executive leadership to organisation's transport functions, integrating Transport Policy, Delivery and Operations for all modes of transport in the region.
 - Acting as the single point of accountability within the Management Team for transport related matters, delegating as appropriate to Director of Transport Delivery, Director of Transport Operations and Passenger Experience, and Director of Mass Transit.
 - Ensuring successful delivery of Transport related initiatives, achieving outcomes set by Combined Authority Boards.
 - Managing external relationships and supporting partnership working at an executive level for cross-cutting transport interests.
 - Advising the Combined Authority on the effective discharge of its powers and responsibilities under transport legislation.
 - Providing challenge and rigour to ensure West Yorkshire has a best in class, innovative transport system.

Chief Operating Officer (working title)

- 2.40 Key accountabilities of this role would include:
- Providing executive leadership to the organisation's corporate centre, integrating core functions including Strategy, Communications and Intelligence and Corporate and Commercial Services.
 - Providing leadership to the Combined Authority, deputising for the Chief Executive for internal and external engagements.

- Acting as the single point of accountability within the Management Team for corporate related matters, delegating as appropriate to their direct reports.
- Providing rigorous strategic thought leadership and challenge, driving through continuous improvement across the whole organisation.
- Ensuring that key outcomes are achieved across the organisation through the business planning and corporate performance processes.
- Developing and building insight driven corporate functions which enable wider delivery.
- Overseeing the day-to-day operation of the organisation, resolving risks and issues which span the Combined Authority.
- Overseeing Combined Authority governance (internal and external).
- Overseeing economic reporting and development of regional thought leadership.

2.41 The intention is that the Chief Operating Officer would take on the strategic functions set out above. There is still detailed design work to be done on the packaging and structure of the corporate centre which would affect the specific role of the Chief Operating Officer and their direct reports.

Future Development and Next Steps

2.42 As proposed, there is not currently an Executive Director for the Economy (this work remains split between the Director for Inclusive Economy, Skills and Culture and the Director for Policing, Environment and Place), however the structure allows room for growth and this role could be created in future if demand requires it.

2.43 If approved, a Management of Change process would need to take place for the existing directors and a subsequent 'lift and shift' of existing departments to align with the revised directorate accountabilities.

2.44 A brief timeline of next steps is as follows:

- 23 June: Seek approval in principle from Combined Authority for revisions to organisational operating model and Director roles.
- July: Seek decisions from Finance, Resources and Corporate Committee or Combined Authority for approval of revised Director Role Profiles (timing dependent and may be phased).
- Summer: Undertake Management of Change with existing directors and recruit to any vacancies.
- July onwards: Development of Combined Authority change programme.
- Summer/Autumn: Once directors are in post, carry out a 'lift and shift' reorganisation of existing departments to align with the revised directorate accountabilities.

3. Tackling the Climate Emergency Implications

3.1 Amendment of the senior level structure will bring greater senior capacity for the Combined Authority's work on tackling the climate emergency and a single senior point of accountability for achieving outcomes in this area.

4. Inclusive Growth Implications

- 4.1 Amendment of the senior level structure will bring greater senior capacity for the Combined Authority's work on inclusive growth and a single senior point of accountability for achieving outcomes in this area.

5. Equality and Diversity Implications

- 5.1 Amendment of the senior level structure will bring greater senior capacity for the Combined Authority's work on embedding Equality, Diversity and Inclusion into everything we do.

6. Financial Implications

- 6.1 The proposals outlined in this paper will increase the total costs of the senior management structure. The rationale for these changes is set out throughout this paper. However, until all the role profiles are developed and evaluated it will not be possible to confirm the full costs of this proposal, and this detail will be brought to future meetings, but it is expected to not exceed £250k. Additional funding to meet these costs will need to be identified from the funding received through recent awards including CRSTS and any revenue opportunities identified and will be built into the medium-term financial strategy being developed.

7. Legal Implications

- 7.1 There are no legal implications directly arising from this report.

8. Staffing Implications

- 8.1 The proposed changes would amend the top tiers of management within the Combined Authority and introduce new roles and a new tier. These roles will need to be evaluated and a management of change process instigated with the current post holders following the Combined Authority policy for managing such change.
- 8.2 The changes to the overall design of the organisation are within the organisation design principles created at the point of the previous organisational change programme that implemented the current directorate structure.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Combined Authority endorses the proposal to move from a '*process*' to an '*outcome/mission*' based operating model.

- 10.2 That the Combined Authority approves the change of role title from the current 'Managing Director' to 'Chief Executive'.
- 10.3 That the Combined Authority approves in principle the revised Director roles and new posts of Executive Director Transport and Chief Operating Officer (working title) set out in Appendix Two, noting that the specific areas of responsibility for each role, particularly within the functions reporting to the proposed Chief Operating Officer, may be subject to change.
- 10.4 That the Combined Authority approves the creation of one additional Director post, bringing the total number of senior management roles from eight to nine and that two of these roles occupy an additional tier between the current director roles and the Chief Executive.
- 10.5 That the Combined Authority approves the deletion of the current director posts in line with the Management of Change process and timeline, pending revision of the Role Profiles and key accountabilities to align to the new structure.
- 10.6 That the Combined Authority endorses the next steps set out in paragraph 2.44 and delegates the approval of final director Role Profiles and gradings to the Finance, Resources and Corporate Committee.

11. Background Documents

Previous Combined Authority Reports:

['Devolution Progress' – July 2020](#)

['MCA Preparations' – February 2021](#)

['Capacity – Transport and the Economy' – March 2022](#)

12. Appendices

Appendix 1 – Values and Behaviours

Appendix 2 – Draft Senior Roles & Alignment with Corporate Objectives

Appendix 3 – Draft Director Role Accountabilities