



Leicester
City Council

**WARDS AFFECTED :
ALL WARDS**

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

CABINET

13TH OCTOBER 2003

**REVIEW OF ENVIRONMENT, REGENERATION & DEVELOPMENT DEPARTMENT, AND
CULTURAL SERVICES & NEIGHBOURHOOD RENEWAL DEPARTMENT**

Report of the Corporate Director of Housing

1. Purpose of Report

- 1.1 Following the completion of the first phase of the Review of Environment Regeneration & Development Department (ERD) and Cultural Services & Neighbourhood Renewal Department (CS&NR), the purpose of this Report is to seek approval from Cabinet for the proposed Senior Management structure, and location of service functions within Divisions of the new Department.

2. Summary

- 2.1 Following the announcement of the retirement of the Corporate Director for ERD, and with the current projections for extensive budget deficit, the Corporate Director of Housing was charged with leading an organisational review to merge the Cultural Services & Neighbourhood Renewal Department, and the Environment, Regeneration & Development Department.
- 2.2 In order to make this undertaking manageable, it was decided that the review should be carried out in two phases : the first phase to look at the Senior Management Team structure and the grouping of service functions below this, and the second phase to set out the detailed staffing arrangements ; with the possibility that there may be minor changes, to the distribution of service functions, in Phase Two.
- 2.3 Consultation under the Council's Protocol has been undertaken, and the review team has taken account of a wide range of views expressed by staff in writing, and through 15 meetings held with staff, Trade Unions, the Review Liaison Group and teams of Service Directors and Service Managers (see paragraph 8.2).

3. Recommendations

- 3.1 Cabinet is recommended to approve the Senior Management structure and organisation of service and support functions, presented at Appendix C.

4. Headline Financial and legal Implications

- 4.1 The proposals in this Report will result in savings of £335,000, in a full year, due to the deletion of one post of Corporate Director and three posts of Service Director. The figures presented here are relating to salaries only, at this stage. It is intended to consider non-staffing costs in relation to these posts, and report on these savings as part of Phase Two. Also, there may be other savings arising from this Report, in relation to secretarial support for the Corporate Director and Service Directors. This will be established in Phase Two.
- 4.2 The implementation date is 1st. December 2003 ; being the date when the new Senior Management structure will take effect, and any Redundancy Notices made. Clearly, any delay in the implementation of this Report could cost the Council more money, in terms of salaries, and any redundancy costs being met from 2004 / 05, rather than 2003 / 04.
- 4.3 In connection with legal implications, the deletion of posts creates a potential redundancy situation. Provided the statutory requirements and individual contractual provisions for City Council employees are complied with, redundancy is a ' fair reason ' for dismissal.

5. Report Author/Officer to contact:

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Rod Pearson, Business Finance & Admin. Manager – ext. 7108

DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)



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SUPPORTING INFORMATION

1. Background

- 1.1. The service functions currently carried out by the Environment, Regeneration & Development Department (ERD) and the Cultural Services & Neighbourhood Renewal Department (CS&NR) are listed at Appendices A and B.
- 1.2. Following the announcement of the retirement of the Corporate Director for ERD and the current projections for budget deficit in the Authority's General Fund Revenue Budget, recently presented to Members by the Chief Financial Officer, the Corporate

Director for Housing was appointed to lead the task of merging the two Departments, under an organisational staffing review, through the City Council's Review Protocol.

2. Terms Of Reference

2.1. Terms of Reference for the Review were agreed as follows:

"To consider a revised organisational structure for the two Departments merging into one Department, following the retirement of the current Corporate Director of ERD.

The Review will also determine whether any functions currently undertaken in ERD and / or CSNR should be relocated elsewhere in the Council ; or additional functions should be transferred into the new Department.

It is also anticipated that, as a result of this Review, the Council will generate savings, involving job losses, towards the Council's Budget problem. "

2.2. Staff whose posts were anticipated to be directly affected by the Review were made 'At Risk' at the outset. Arrangements were made for representation of those staff at Review Liaison Group meetings, in addition to Trade Union colleagues. Initial proposals were presented to the Group by the Review Team, giving a possible overall structure for the new Department consisting of a Corporate Director and four Service Directors. The proposed functional responsibilities were listed under each Service Director, and possibilities for the location of various functions, in other Departments, were also included.

2.3. Following representations from staff and Trade Unions, both in writing and through additional meetings held with current Divisional teams, and taking into account the views of the Corporate Directors Board, the structure listed at Appendix C was devised.

2.4. **Proposed Organisational Arrangements**

2.5. The proposed grouping of service functions within the New Department is described in detail below.

Resources Division

2.5.1. The creation of the Resources Division follows the model adopted by Service Departments across the Authority, with all support services grouped under one Service Director. The merging of the support functions for the two Departments will be dealt with in detail during Phase Two of the review. It is anticipated that the combination will give the potential for savings to be made, chiefly through the need to have only one managerial post for each support function. However, staffing arrangements below the managers will need to be set at appropriate levels, to deal with the scope and volume of work that will arise out of the merging of the diversity of services in the new Department.

- 2.5.2. The arrangements for operational transport (amongst other matters) is the subject of an investigation, commissioned by the Corporate Director for ERD, being undertaken by consultants TASS. It is the intention that the results of the investigation are considered in the final arrangements for the Recreational Transport function, (along with all operational transport) which is currently located within the Resources functions.
- 2.5.3. The proposal for the two Strategy & Performance functions (Strategy, Performance & Development from CS&NR, and Performance & Improvement Strategy from ERD) is that they be located within the Resources Division. However, it will be for the new Corporate Director to determine how Strategy & Policy Development will be led and supported in the new Department. This may involve some adjustment to reporting lines, and this will be dealt with during Phase Two.

Highways Services Division

- 2.5.4. The service functions that comprise the Highways Services Division remain the same, as they were in ERD. The Division has recently completed a restructuring exercise, as part of an improvement programme, following a Best Value Inspection. Taking account of improvement recommendations put forward by the Best Value Inspectors, the structural changes are seen as instrumental in the final 'improvement' rating given to the service of " likely to improve ". In order that the Improvement Plan continues to deliver and move the service forward, it is recommended that the overall structure of the Division remains the same. Again, Phase Two of the Review will consider the detailed arrangements, below Service Director level, to ensure an optimum structure that balances resources with the need for improvement.

Regeneration Division

- 2.5.5. The proposed Regeneration Division brings together all functions to do with physical and social regeneration of the City. These functions include the existing Regeneration Division of ERD, 'social regeneration' services in the Neighbourhood Renewal Division of CS&NR, and the developmental aspects of the Cultural Quarter – which involve regeneration activity.
- 2.5.6. Separation is maintained between Regeneration and Planning functions – Development Plans and Development Control – essentially at Service Director level - to enable the Authority to demonstrate adequate distance from potential perceived developer influence, on Planning decisions or Planning policy.

Cultural Services Division

- 2.5.7. The Cultural Services Division is practically the same as the existing CS Division of CS&NR. The only proposed differences are the separation of the Cultural Quarter Development role, as mentioned above, located in the Regeneration

Division (the operational elements of the Cultural Quarter remain as part of the Cultural Services Division), and the inclusion of the Markets function.

- 2.5.8. A review of Parks & Open Spaces had, at the start of this Departmental Review, reached the point of deciding and approving a management structure for the Parks & Environmental Services function. This Departmental Review has provided the opportunity to re-examine the outcomes of the first phase of the Parks Review, in the light of the location of functions that have links with aspects of the Parks Service, in particular City Cleansing and Waste Management. The proposal for the location of the Parks Service within Cultural Services, and City Cleansing and Waste Management within Environmental Services, is based on where organisational links are seen to be the strongest. This is in keeping with the decisions made, and approved, at the completion of Phase One of the Parks Review. At an operational level, it is acknowledged that the degree of co-ordination of services 'on the ground' will be a significant consideration for operational management post-implementation. Phase Two of the Parks Review will decide the detailed staffing arrangements for the services involved.
- 2.5.9. The combination of service functions proposed for the Cultural Services Division is commensurate with any future management arrangements for Cultural and Leisure Services for the City. Such future arrangements are subject to initial consultations of their own, and not within the scope of this Review. It is not intended that any inferences should be made from structures decided, during the merging of the two previous Departments.

Environmental Services Division

- 2.5.10. The proposals for this Division combine the existing environmental protection operational services with the related Energy and Environment Team functions. There are clear operational advantages to maintaining the organisational proximity of the Waste Management, City Cleansing and Building Cleaning. As indicated in 2.5.2 above, the final organisational arrangements for Operational Transport will be considered in Phase Two, following publication of the consultants' report. The inclusion of the Environment and Energy Teams will strengthen the Division's ethos of protecting the environment. The City Catering function continues its existing link with the above operational functions, in respect of its style of operation as a business unit, rather than its links to the environment theme.

Community Protection & Well Being Division

- 2.5.11. This proposed Division continues the existing grouping of the regulatory functions with the ethos of protecting the public, which are closely associated with the Council's ' well being power ', introduced in the Local Government Act 2000. It also brings in the regulatory planning functions of Development Plans and Development Control. This arrangement maintains the distance required between Planning and Regeneration functions, as mentioned above. It brings

together all functions under review, that have an enforcement remit. Urban Design is included, due to its close association with the Planning functions.

3. General Issues

Span of control

- 3.1 It is important to point out at this stage that the list of proposed functions does not necessarily equate to the number of Service Managers that report to the relevant Service Director. The number of Third-Tier posts will be established during Phase T

Slotting-in arrangements for Phase One

- 3.2 Slotting-in arrangements for Service Directors will follow the standard Protocol definition of 'post most similar'. Legal advice has confirmed the position to be taken regarding the posts involved in the Phase One Slotting-in exercise. These will be the posts confined solely to the areas under Review. Service Director posts across the Authority share some generic aspects, in terms of competency and management skills and knowledge. However, for the purpose of Slotting, the duties and responsibilities under consideration are those performed by the previous Service Directors for ERD and CS&NR Departments, in terms of the direction of service functions. Slotting will be determined by the comparison of old and new posts, and a Slotting-in List drawn up for the Review Liaison Group Meeting, to be held after Cabinet. The principle of confining Slotting to within the ring-fence of the Review will apply equally to any arrangements, during Phase Two.

Arrangements for Phase Two

- 3.3 The Corporate Director for Housing will continue to lead Phase Two of the Review overall. It is anticipated that there will be 6 Sub Reviews – each being lead by the newly appointed service director for the division with appropriate arrangements for consultation being established by that Service Director. An overall steering liaison group will be established that will consist of the Corporate Director for Housing and his review team, the Corporate Director and Service Directors for the new Department, trade union and staff representatives. The existing terms of reference for the review will apply and the purpose of identifying savings will continue to be a key consideration.

Impact of Review

- 3.4 The adverse impact of this and other reviews on staff, through the experience of change and uncertainty, is recognised. The intention has been to minimise these effects, through not allowing the Review to take longer than is absolutely necessary. In this way, staff whose jobs remain largely unaffected by the outcome will be reassured as to their position, as quickly as possible. Any delay to decisions, or the implementation of decisions, will clearly add to the stress for staff affected.

- 3.5 In terms of the impact of the proposed structure, significant consideration was given to representations that were made on the appropriate number of Service Directors. The move to the proposal for six Divisions in the new Departmental structure takes account of the concerns around work pressures, anticipated at this level of the organisation. In order to establish any Health & Safety implications, of the operation of the new structure, it is intended to carry out a Risk Assessment of the impact of the new working arrangements, once they are fully established on the completion of Phase Two.
- 3.6 At the completion of Phase One of the Review, the proposals are concerned with the shaping of the management structure at Service Director level. At this stage, there is no evidence to suggest a negative impact on service users, as a direct result of these proposals. However, arrangements proposed as part of Phase Two may well have more direct implications for service users, and these will be given due consideration during the formulation of those proposals.

4. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References within ' Supporting Information '
Equal Opportunities	YES	3.2
Policy	YES	2.5.5, 2.5.11, 3.2
Sustainable & Environmental	YES	2.5.10
Crime & Disorder	NO	
Human Rights Act	NO	
Elderly/People on Low Income	NO	

5. Background Papers – Local Government Act 1972

- 5.1 Review Working Documents – including written comments and proposals from staff – are available for scrutiny if required.

6. Consultations

- 6.1 Staff and Trade Unions have been consulted, in the formulation of the proposals, through the Council's Protocol for Staffing Reviews.
- 6.2 The following comments have been provided by UNISON for inclusion in the Report:

“ The argument for combining the Departments has not been proved. The retirement of a Corporate Director is not a good enough reason for such a major reorganisation following so closely after the Revitalising Neighbourhoods and

Best Value reviews. Savings should be made through better management of the budgets within the existing structures.

The Unions are concerned that a major review has been undertaken which has ignored the 'Project' and the full budget situation. It appears that most of the field staff have not been able to be involved in the review because of the restricted time frame available and the inadequate communication channels that exist.

It has been disappointing that the two current directors of ER & D and Cultural Services have not attended any meetings to enable staff to have their fears/questions allayed as to their support following the production of the 'investing in the future of Leicester' document.

The proposal for the number of Service Directors going from 9 to 6 we feel will apply increased pressure of workload on staff at lower levels that are already under stress. We feel a minimum of 7 would be a more reasonable solution or alternative. ”

6.3 Meetings held as part of the Review:

Pre-Assignment	2
Review Liaison Group	4
Divisional Mgmt. Teams	7
Trade Unions	2

6.4 Legal Services have been consulted on this Report (Anthony Cross – Asst. Head of Legal Services - Ext 6362)

6.5 Housing Department's Head of Finance has been consulted on this Report (Rod Pearson -- Business Finance & Admin. Manager - Ext. 7108).

Report Author – Mike Forrester, Corporate Director of Housing - Ext. 6800

APPENDED ARE COMMENTS FROM OFFICIALS OF UNISON



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2 October 2003

UNISON'S RESPONSE TO THE REVIEW OF ENVIRONMENT, REGENERATION AND DEVELOPMENT SERVICES AND NEIGHBOURHOOD RENEWAL DEPARTMENT

UNISON is extremely concerned at the new administrations suggestion of a £10 million gap in the budget of the city council and their commitment to deal with the dire situation. Should not the Finance Scrutiny Committee have addressed this situation before the election?

Can you also furnish us with the information as to how much of the hole in the budget represents money set aside for the proposed Job Evaluation scheme?

As stated in the meeting of 31st July 2003 UNISON are asking for the evidence of the shortfall, which we are entitled to do so under the Best Value Code of Practice into Workplace Matters. UNISON has called for the education and training of councillors and local government officers after a survey found that 40% did not know what the Best value Code of Practice on Workforce matters required councils to do. Therefore, can we have details of what training has been given to officers and councillors on the code as it has now been in place for four months.

It has been suggested, in the not too distant past, that it is officers that run Leicester City Council and not elected members. We are, therefore, concerned that it is the intention of the new leadership not to become involved in operational matters.

We would also suggest this is abdicating the responsibility entrusted in the new leadership by the citizens of Leicester on 1st May 2003.

UNISON would like to ask the following questions in relation to the major departmental review of Cultural Services and Neighbourhood Renewal and Environment Regeneration & Development and the Project.

DEPARTMENTAL MERGER

- ❖ We would ask for details and a breakdown of the £10 million gap in Leicester City Councils budget and what are the predicted savings from the review.
- ❖ What is the strategy behind appointing the Corporate Director Housing to overall control of the review and not the Corporate Director for Cultural Services and Neighbourhood Renewal who will have to manage the new department?
- ❖ Can we have assurances that staff from other departments for example Social Care & Health, Education; Housing & Resources Access & Diversity will not be affected by the review.
- ❖ What other reviews are currently taking place in these departments and what are the implications for them because of the merger of the two departments.
- ❖ Administrative and support staff have been placed "at risk" before the review has started, Can we have assurances UNISON members jobs will not be cut purely for financial savings thus putting the remaining staff at risk due to excessive workloads through stress related illness.
- ❖ Have Staff had the situation explained clearly and explicitly as to what the merger of the two departments could mean to them and how will staff on maternity leave annual leave or sick be kept informed.
- ❖ Why are vacancies which staff could be redeployed into still being advertised?
- ❖ Does this exercise have any bearing on the city councils neighbourhood renewal programme or the review of Revitalising Neighbourhoods currently taking place?

THE PROJECT

UNISON have read with interest recent correspondence in the Leicester Mercury in respect of the Cultural Services 'Project' questionnaire, (Investing in the Future of Leicester). We are pleased, but not surprised, to note that the people of Leicester are seeing this questionnaire for what it is – an attempt by the new administration to abdicate their responsibility for the provision of leisure services in Leicester. At the end of the day if we are left with severely depleted or no leisure services the Administration can claim that they were not responsible as they consulted with the people of Leicester.

Setting aside the fact that consultation exercises of this type have been largely discredited as a method of gathering opinion, the questionnaire itself is clearly predisposed to produce certain outcomes.

Citizens of Leicester will no doubt have spotted that the tick box options, (to 'invest', 'reduce or close' or 'do it differently'), do not appear against every service. Could it be that some decisions have already been taken?

It is UNISON's view that the questionnaire is biased, lacking in information essential to make informed judgments and includes highly questionable financial information. Indeed, UNISON would hotly dispute the figures quoted throughout the questionnaire.

The questionnaire is simplistic to the point of misleading. The definition of a Trust as an organisation that 'involves local people and staff in management' gives the impression of democracy in action – however Trust boards are far less accountable to the population than elected members are, (or should be).

Whilst the administration congratulates itself on its consultation exercise, the people of Leicester may be astonished to learn that in a city as culturally diverse as Leicester the questionnaire is only available in English. Thus, whole communities are automatically excluded from readily participating. Whilst it is the case that the City Council will provide help for speakers of other languages in completing the form, this will be done by sending someone to their homes to assist. Clearly, if a member of the public has to go to that much trouble they are going to be far less inclined to participate, not to mention the fact that this is hardly an effective use of the Council's resources. Would it not have been more appropriate to ensure the questionnaire was accessible to all in the first instance?

Can it be right that the future of our leisure services is decided in this way?

No doubt, some facilities attract greater public support than others, but does it necessarily follow that less 'popular' services ought to be reduced, closed or sold off.

Turning to the Project proper, UNISON wish to pose the following questions/observations:

- ❖ Has Leicester City Council / Cultural Services had any discussions or consultation with any outside providers if so can UNISON have the details of these as we are concerned about the drive towards privatisation of council services.
- ❖ UNISON has been sent a copy of the questionnaire that is being sent out to both the public and staff and we have to say it is the most one sided consultation exercise imaginable.
- ❖ The questionnaire also states that a saving of £2.5 Million over five years can you let us know who came up with a figure of a 20% saving how is this to be achieved and the effect this is having on staff morale who are already overworked.
- ❖ The suggestion of a £2.5 million saving also gives a false impression to the public that the City Council is overstaffed.
- ❖ What will be considered an acceptable number of responses to the questionnaire such that public support for the proposals can be claimed?
- ❖ Before the consultation has even begun you could say that it is a "FAIT ACOMPLI" in favour of the "TRUST" option what appears to be the preferred by the Cultural Services department's management team.
- ❖ Will the authority abide by the Best Value Code of Practice on Workforce Matters before even considering outsourcing of any kind?
- ❖ What has been the cost of the Project so far in terms of employing consultants?
- ❖ Cultural services and Environment and Development do not sit comfortably together in terms of the services they offer how is this to be addressed.
- ❖ What are the Implications for Citywide cleaning, Catering, and transport and can we have assurances that every effort will be made to keep these services in house.
- ❖ Will there be any further reviews of senior management salaries as an outcome of the review.

UNISON believes both the Review and the Project are inseparable therefore we are supplying you with these questions and we anticipate answers to these at the Pre Assignment meeting on 21st August 2003.

We also welcome the new Leadership's commitment to front line staff and we fully intend to hold them to their word.

At a recent Financial, Resources and Equal Opportunities Committee, a report was tabled on sickness absence monitoring expressing similar health and safety concerns to UNISON. The report states **“One common factor among departments that showed an increase in absence is that they were part of a major re-structuring exercise. Organisational change, which can cause uncertainty and stress, may therefore have adversely affected attendance.”** Therefore any increase in stress related illness is both foreseeable by and the responsibility of the authority. UNISON have spoken with the Health and Safety Executive and they are of the opinion that if there are any indications that the proposed changes have any reduction in the standards of health and safety for staff, or increased levels of stress, then they will have no alternative but to come in, and investigate.

At the Cabinet Meeting on Monday 1 September 2003, Councillor Mugglestone stated his commitment to the health and safety of staff and reminded those present of the duty of care of Leicester City Council to staff. Minded of this I would ask if the Authority have considered carrying out a risk assessment concerning the merger or any proposed reductions.

We would also like an audit of Departmental reviews currently taking place or that have taken place within the last year (back to August 2002).

We hope this is not the start of strained Industrial relations however some of the rhetoric of late leads us to believe this certainly could be the case.

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UNISON Branch Secretary

Mark Challenor
UNISON Departmental Convenor

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UNISON Departmental Convenor