



Leicester
City Council

MEETING OF THE EMPLOYEES COMMITTEE (APPOINTMENTS)

DATE: MONDAY, 30 MARCH 2009
TIME: 12:00 pm
PLACE: ROOM 20, TOWN HALL

Members of the Committee

Councillors Dempster, Gill, Osman, Willmott and one Conservative vacancy.

Members of the Committee are invited to attend the above meeting to consider the items of business listed overleaf.

for Town Clerk

Officer contact: Andrew Shilliam
Democratic Support, Resources Department
Leicester City Council
Town Hall, Town Hall Square, Leicester LE1 9BG
Tel: 0116 229 8813 Fax: 0116 229 8819
Email: andrew.shilliam@leicester.gov.uk

INFORMATION FOR MEMBERS OF THE PUBLIC

ACCESS TO INFORMATION AND MEETINGS

You have the right to attend Cabinet to hear decisions being made. You can also attend Committees, as well as meetings of the full Council.

There are procedures for you to ask questions and make representations to Scrutiny Committees, Community Meetings and Council. Please contact Democratic Support, as detailed below for further guidance on this.

You also have the right to see copies of agendas and minutes. Agendas and minutes are available on the Council's website at www.leicester.gov.uk/cabinet or by contacting us as detailed below.

Dates of meetings are available at the Customer Service Centre, King Street, Town Hall Reception and on the Website.

There are certain occasions when the Council's meetings may need to discuss issues in private session. The reasons for dealing with matters in private session are set down in law.

WHEELCHAIR ACCESS

Meetings are held at the Town Hall. The Meeting rooms are all accessible to wheelchair users. Wheelchair access to the Town Hall is from Horsefair Street (Take the lift to the ground floor and go straight ahead to main reception).

BRAILLE/AUDIO TAPE/TRANSLATION

If there are any particular reports that you would like translating or providing on audio tape, the Democratic Services Officer can organise this for you (production times will depend upon equipment/facility availability).

INDUCTION LOOPS

There are induction loop facilities in meeting rooms. Please speak to the Democratic Services Officer at the meeting if you wish to use this facility or contact them as detailed below.

General Enquiries - if you have any queries about any of the above or the business to be discussed, please contact Andrew Shilliam in Democratic Support (0116) 229 8812 or email andrew.shilliam@leicester.gov.uk or call in at the Town Hall.

Press Enquiries - please phone the Communications Unit on 252 6081

PUBLIC SESSION

AGENDA

1. APPOINTMENT OF CHAIR

To appoint a Chair for the meeting.

2. APOLOGIES FOR ABSENCE

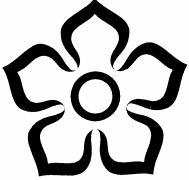
3. DECLARATIONS OF INTEREST

Members are asked to declare any interests they may have in the business to be discussed and/or indicate that Section 106 of the Local Government Finance Act 1992 applies to them.

4. CHANGES TO THE DIRECTORS TERMS AND CONDITIONS [Appendix A](#) RESULTING FROM THE REORGANISATION OF THE SENIOR MANAGEMENT OF THE COUNCIL

To consider the report of the Chief Executive into the proposed changes to the Directors Terms and Conditions, which have resulted from the reorganisation of the senior management of the Council. The Committee is also asked to consider the recommendations included within the report.

5. ANY OTHER URGENT BUSINESS



Leicester
City Council

WARDS AFFECTED

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Employees Committee

30th March 2009

Changes to the Directors Terms and Conditions resulting from the reorganization of the senior management of the Council

Report of the Chief Executive

1. PURPOSE OF REPORT

- 1.1 To agree changes to the Terms and Conditions of Directors that need to be made as a result of the Appendix R reviews of the two Director tiers of the Council. Changes to the terms and conditions of Directors are reserved to Council and discharged through the employees committee.

2. SUMMARY

- 2.1 In October 2008 Cabinet agreed a report that introduced a new structure for the senior management team of the Council, which deleted the post of Corporate Director in the Council and introduced a new post of Strategic Director. At that meeting Cabinet also agreed to delegate to the Chief Executive the conduct of an appendix R review of the second tier Directors to complete the re-organisation of the Council's senior management team to enable the Council's structure and the roles and responsibilities of Directors to be marshaled much more coherently to deliver the One Leicester strategy of the Leicester Partnership.
- 2.2 The second tier appendix R review completed at the end of February and this report makes recommendations on the subsequent changes to the terms and conditions of Directors required to reflect the new roles and responsibilities. The final report of the appendix R review is attached at appendix one.

3. RECOMMENDATIONS (OR OPTIONS)

- 3.1 Employees Committee are recommended to:
 - a) Remove the current adhoc enhancements and allowances that some 2nd tier currently benefit from. These include deputising allowances, telephone allowances and % enhancements.
 - b) To remove the bar that currently exists at the mid point of the 2nd Tier Director pay scale.
 - c) To remove all 2nd Tier Directors from the current enhanced salary provisions
 - d) To introduce a new enhanced Director pay scale and to limit its application to three posts:
 - Chief Finance Officer

- Director of Housing Services
- Director of Assurance and Democratic Services

e) Delegate to the Chief Executive the implementation of these new arrangements

4. REPORT

- 4.1 The new senior management structure of the Council creates a new Strategic Team responsible for delivering the priorities of the One Leicester strategy. The post of Corporate Director has been deleted and the new Strategic Directors have been decoupled from the former departments. Under the old structure the Corporate Director had final line accountability under the scheme of delegation, finance and contract procedure rules. In the new structure 2nd tier Director's (Branch Directors) will become that final line of accountability in future. Second tier Directors will also have an enhanced responsibility for the delivery of performance indicators under the LAA and MAA.
- 4.2 Service Director's are on grades 1 – 5 UCOC, £63,945 - £73,773, Enhanced Service Directors are on grades 6 – 10 UCOT, £76,725 - £88,527 (this is a single Service Director band but with a bar after point five) and Corporate Directors are on grades 11 – 20 UCOR/S, £92,076 - £127,485.
- 4.3 Service Directors have had a claim for a pay review submitted to the Chief Executive two years ago, after substantial post reductions were made in a former review, which to date has not acted upon. Since then these posts have further drifted when compared regionally and recent Service Director appointments in the former Resources Department (1 post), CYPS (2 posts) and a new corporate post have been made at the enhanced level breaking the current grade structure and furthering the grievance felt by other Service Directors. Finally, with the exception of the former Corporate Director of Regeneration and Culture no permanent or interim Corporate Director appointed over the last three years has been started on a salary of less than £108K.
- 4.4 In terms of the market, we have tested this directly ourselves in the last 12 months on 4 occasions, where we have advertised and recruited Service Directors under the old structure. All appointments have been made at over £80,000, breaking the bar at point five as mentioned above. Also pay information provided by LGEM, specifically requested for this review has demonstrated that our Director pay is approx £10 - £15,000 less than comparable authorities.
- 4.5 Using our local context and evidence from regional comparators for similar sized Unitary Authorities I propose the following on pay. In addition to my proposal the Council may wish to maintain some flexibility at the top of the Strategic Director pay scale reflecting regional comparators. My proposal is to remove the bar that exists within the Service Director pay range. An Additional shortened enhanced director level pay range will be made at grade 11 – 13, £92,076 - £99,150 (for the Chief Finance Officer, the Director of Housing Services and the Director of Assurance and Democratic Services). The Strategic Director Grade will run through grade 14 – 20, £102,695 - £127,485. A piece of work looking at linking incremental pay progression of staff (including Directors) with performance is to be carried out under the Council's improvement and development plan.

4.6 To fit with the consensus view of not having a first among equals within the old Directorates the role of Principle Service Director should be abolished.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

The budget for 2009/10 makes provision of £1m per annum for Delivering Excellence. At the time of the Cabinet report in October, this was estimated to be: -

- (a) £0-7m per annum for the cost of the new structure;
- (b) £0-3m per annum to pay for prudential borrowing on one off investment of up to £3m.

The latest proposals after allowing for:-

- (a) 2 likely additional posts at third tier to complete the structure;
- (b) additional costs to populate the change management team would result in permanent costs of £775,000 per annum, very slightly above original proposals envisaged a number of temporary posts which are not now being implemented. Overall, costs in this period to 2011/12 are over £1m below original expectations.

Mark Noble
Chief Finance Officer

5.2 Legal Implications

Employees Committee has within its terms of reference the function of determining the terms and conditions of services to which staff, including directors, hold office. Changes proposed will need to be incorporated into individual contracts."

Peter Nicholls
Service Director - Legal Services

6. OTHER IMPLICATIONS

| OTHER IMPLICATIONS | YES/NO | Paragraph references within the report |
|-------------------------------|--------|--|
| Equal Opportunities | | |
| Policy | | |
| Sustainable and Environmental | | |
| Crime and Disorder | | |
| Human Rights Act | | |
| Elderly/People on Low Income | | |

7. REPORT AUTHOR

Sheila Lock
Chief Executive
Tel 2526000

