



Leicester
City Council

EMPLOYEES COMMITTEE

13th DECEMBER 2011

Senior Manager Review 2011 – Strategic and Divisional Directors

Report of the Chief Operating Officer

1. Purpose of Report

- 1.1 This Report seeks the appropriate approval at Member level for the appointment and dismissal process undertaken in connection with this review and indicate the further Member involvement in decisions required in connection with concluding the review.
- 1.2 In accordance with the Council's Constitution and Statutory Provisions/Regulations decisions with regard to the appointment and dismissal of Directors are a matter for the Employees Committee. The Executive (Cabinet) role is with regard to the establishment and review of the Council's overall officer structure. This role is separate to the Executive objection provisions concerning appointments and dismissals of Chief Officers referred to in the Local Authorities (Standing Orders) (England) Regulations 2001.

2. Recommendations

- 2.1 Cabinet is asked to note the report and agree the Senior Management Structure that will be in place once the review has concluded.
- 2.2 Employees Committee is recommended to:
- (i) Note and approve the process being followed concerning appointments and dismissals within the review and its further role in terms of the slotting in process and any required dismissal process.
 - (ii) Agree the proposed new job roles and salary ranges as detailed in Appendix E and paragraph 8.
 - (iii) Agree an implementation date of 2nd January 2012.

- (iv) Note and consider as appropriate the comments of OSMB with regard to the review.
- (v) For the purposes of this review delegate the function of dismissal in relation to complying with the requirement of the Local Authorities (Standing Orders) (England) Regulations 2001 to the Chief Operating Officer.
- (vi) For the purposes of this review, approve the appointment of the Head of Litigation as the Council's Proper Officer with regard to complying with the Local Authorities (Standing Orders) (England) Regulations 2001.
- (vii) Note that for the purposes of the review the Monitoring Officer role in appointing Members to serve on any Employees Committee will be undertaken by the Head of Litigation.
- (viii) Agree that the time period for objections (if any) to be made under the Regulations in the case of any proposals to dismiss any Director is five working days.

3. Report

- 3.1 This report concerns the organisational review of the Senior Management Structure of the Council.
- 3.2 Documents appended to this report are as follows:-

Appendix A	Business Case
Appendix B	Notes of Meeting held with trade unions on 21 st October 2011.
Appendix C	Notes of Meeting held on 28 th October 2011
Appendix D	Notes of Meeting held on 15 th November 2011
Appendix E	Final Structure
Appendix F	Final Job Descriptions
Appendix G	Slotting in list
Appendix H	Equalities Impact Assessment

4. Terms of reference

- 4.1 The Business Case sets out the Terms of Reference, background and original proposals (**Appendix A**) and included draft job descriptions that are available on In-site.

5. Financial Implications

- 5.1 The implementation of these proposals will result in savings of approximately £950K in a full year assuming some funding from the health authority under the health transition arrangements, agreed with the Chief Executive of the City and County PCT.

Senior Management Review Phases 1 & 2

Post Title	Existing structure		New structure		Saving
	posts	£	posts	£	£
Chief Executive	1	229,400	0	-	229,400
Chief Operating Officer / Head of Paid Service	1	184,400	1	167,500	16,900
Strategic Directors	4	485,100	3	391,700	93,400
Enhanced Divisional Directors	3	388,200	0	-	388,200
Divisional Directors	17	2,188,400	15	1,677,200	511,200
City Officer	0	-	2	90,900	(90,900)
Total	26	3,475,500	21	2,327,300	1,148,200

Notes:

- i) 50% of one existing Strategic Director is externally funded
- ii) The existing structure includes vacant posts
- iii) The new structure is costed at the top of the grade and includes external contributions to two posts
- iv) The figures given include all on costs associated with the posts

6. Consultation

- 6.1 The review has been conducted in accordance with the Council's Protocol for Organisational and staffing change. As required by this protocol a meeting took place with the trade unions (on 21st October 2011) to discuss the proposed Business Case. Notes of this meeting are attached at **Appendix B**. Following this meeting the Business Case was sent to all staff scoped in to the review on 24th October 2011. All staff affected by the proposals were invited to an initial meeting on 28th October 2011 where the rationale for the review was explained. A draft timetable was issued at this meeting. GMB, Unison, UNITE, NASUWT, NUT, NAHT and ATL union representatives were also in attendance. Initial comments and questions on the Business Case were taken at this meeting.

These are recorded in the notes of the meeting (**Appendix C**). All staff and unions were invited to submit further comments on the proposals (including the job descriptions) by 11th November 2011.

- 6.2 A second consultation meeting was held on 15th November 2011 to discuss comments received and to respond to them.
- 6.3 Responses are recorded in the notes of the meeting (**Appendix D**).
- 6.4 Following this meeting there was a further consultation period inviting further comments. The deadline for these further comments was 28th November 2011.
- 6.5 Comments received during the consultation period consultation are available on In-site.
- 6.6 The final structure and job descriptions are shown at (**Appendix E**) and (**Appendix F**).
- 6.7 Notes of the meeting held on 2nd December 2011 will be distributed to staff and posted on Insite.

7. Exclusions

- 7.1 Appointing to the new post of Strategic Director of Adult Social Care, Health and Housing is suspended temporarily due to the suspension and ill health absence of the Strategic Director of Adults and Communities.

8. Chief Officer Salaries

- 8.1 Four new pay ranges will be implemented as part of these proposals. These are as follows:-
 - Head of Paid Service: £123,231 - £127,485 (spinal point 19 – 20 UCOR/S)
 - Strategic Director: £110,484 - £118,983 (spinal point 16 – 18 UCOR/S)
 - Divisional Director: £76,725 - £85,575 (spinal point 6 – 9 UCOC/T)
 - City Officer: £63,945 - £68,853 (spinal point 1 – 3 UCOC/T)
- 8.2 The enhanced divisional director rate is abolished. Directors will be slotted to the nearest grade point to their existing salary. As per the Council's policy Pay Protection for two years will apply to all Directors whose salary goes down as a result of this review.

9. Position of Monitoring Officer

9.1 In accordance with the Council's current constitution arrangements the Employees Committee has designated the Director of Corporate Governance as the Council's Monitoring Officer. Membership of the Employees Committee is on the basis of appointment by the Monitoring Officer in consultation with the Group Whip. Given that the Directors post is covered by the review, the Director has agreed that to prevent any conflict of interest situation arising a Deputy Monitoring Officer be appointed to deal with any procedural requirement arising that include as appropriate compliance with the Regulations. The recommendation is that the Head of Litigation be appointed for this purpose.

10. Slotting in Proposal

10.1 The proposed slotting in list is given at **Appendix G** and will be tabled at the final meeting on 2nd December 2011.

10.2 Following this meeting there will be an appeals process in accordance with the review protocol.

10.3 Any appeals will be heard on 15th December 2011, by the Deputy City Mayor assisted by a HR Adviser who has had no previous involvement in the review.

11. Appointments to the New Structure

11.1 Where competitive or competency interviews are required these will be carried out by Member Panels, these are scheduled for the 20th and 21st December 2011.

12. Dismissal process and Appeal Rights

12.1 If, following the slotting in process any Director is displaced, a potential dismissal by reason of redundancy situation will arise. The Council is required to follow the process contained in the Regulations. The function of dismissal of Directors is given by the Council's Constitution to the Employees Committee. It appears that it can also be undertaken by the appropriately authorised officer. The recommendation is that this be delegated to the Chief Operating Officer. He will have to comply with the Regulations that bring into play the involvement of the Executive (Cabinet) in terms of whether or not they have any objection to the fact that one or more Directors face dismissal. Notification to the Executive is undertaken by the Proper Officer, in this case the recommendation is that this be the Head of Litigation. Subject to the response from the City Mayor on behalf of the Cabinet, the Chief Operating Officer would then issue formal notice of dismissal by reason of redundancy. In accordance with Employment Law rights any Directors affected would have a right of appeal to the Employees Committee meeting in appeals mode. Membership of this Committee would accordingly be different from membership of the Committees who dealt with the dismissal process.

It is recommended that a time period of 5 working days be given to allow for objections.

13. Equalities Impact Assessment

13.1 The EIA for the review is given at **Appendix H**.

14. Legal Implications

- 14.1 The process outlined in this report complies with statutory and the Council's Constitutional requirements that apply to the Council's Directors on the basis that they are either statutory Chief Officers, non-statutory Chief Officers and/or Deputy Chief Officers as defined in the 1989 Local Government and Housing Act. In the case of any Directors who, as a result of this review are displaced, any subsequent dismissal would be by reason of redundancy. Therefore, the process being followed accords also with Employment Law provisions.
- 14.2 Where a dismissal of a Chief Officer arises the Local Authority (Standing Orders) (England) Regulations 2001 apply. The Council's Constitution delegates to the Employees Committee the dismissal function of Chief Officers. The Regulations suggest that the dismissal function may be delegated to an officer. Accordingly the report seeks authority for this function to be delegated to the Chief Operating Officer. He will still have to comply with the Executive Objection process outlined in the report.
- 14.3 If the function of dismissal is not delegated and is retained by the Employees Committee, two separate meetings of the Committee will be required in relation to the dismissal stage. The first one would be to authorise the Chief Operating Officer to undertake the Executive Objection process. The second meeting would authorise the issue of a formal notice of dismissal by the Chief Operating Officer assuming no Executive Objection has been received. Note that where the Employee Committee meets in dismissal mode it must have at least one member of the Executive appointed to the Committee.
- 14.4 Irrespective of whether the Chief Operating Officer or the Employees Committee is the dismissor, the right of appeal to the Employees Committee will remain. If such an Employees Committee is needed care will be taken to ensure that the members appointed to the Committee will have not had any previous direct involvement in the process.
- 14.5 The Regulations also have provisions concerning the appointment of statutory chief officers, non-statutory chief officers and/or deputy chief officers as previously defined. Given that this review affects existing directors and is not initially involving external recruitment, in Employment Law terms the exercise can be classed as one of variation of existing contracts and therefore the Executive Objection provisions in the Regulations (similar to what applies in any dismissal situation) will not be engaged.

- 14.6 The recommendations with regard to the appointment of the Head of Litigation to undertake the requirements contained in the Regulations and the Committee appointment process contained in the Council's Constitution ensures that the Monitoring Officer who is affected by the review is not put in any conflict of interest situation.
- 14.7 Following the completion of the review, the Council will have all the necessary chief officers required by statute.

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15. Local Government Access to Information Act

- 15.1 All papers relating to this review are available on In-site.

14. Report Author

Andy Keeling
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