

SENIOR MANAGEMENT REVIEW

Meeting held on Friday 21st October 2011

B8 New Walk Centre

Present: Andy Keeling (Chair); Baljit Bains (HR); Gary Garner (UNISON); Steve Barney (GMB) Les Price (UCU); Relton Grant (UNITE)

1. Apologies for Absence.

None received

2. Background to the Review

AK explained that the previous review which was started by Sheila Lock was stopped due to the pending Elections. Since being elected the City Mayor has started his own review of the structure, phase one of which was to delete the post of Chief Executive. This decision was formalised at full council on 4th August 2011.

This is the second phase of the review and will look at the Strategic and Divisional Directors structure – it does not include the Head of the Organisation. AK has been asked by the City Mayor (CM) to lead this phase and then when this is complete the CM will look at the Head of Organisation post.

Once the second phase is complete, the new departmental teams will be asked to lead on the 3rd phase of the review which is to look at the Heads of Service tier.

AK explained that there are two main reasons for the changes proposed. Firstly the need to make savings of £0.8m. The proposals that had been put forward by Sheila Lock were expected to deliver £1.8m savings from all 3 tiers, however there were a few issues with that estimate in that it did not take account for the costs of new posts proposed and also did not factor in protection payments.

The CM believes that he will still be able to meet this £1.8m figure across all 3 tiers of Senior Management, in fact probably save more. The second reason for the review is that we need to ensure that we have a Senior Management structure which has a greater accountability for Strategic Directors. One of the criticisms of the current hybrid model is that it causes confusion and makes it difficult to hold individuals to account. The CM wants a structure which is more solid and not managed using matrix models which were created by Deloitte, and which takes account of the new political leadership.

AK explained that the structure proposals are not as generous as comparable authorities but none of these have a mayoral model. The structure also has to be

balanced in terms of the savings required and the need to provide sustainable management structure.

The union side expressed concern that a new senior management structure will mean that it will be necessary to revisit all of the governance arrangements and by implication, all of the trade union consultation mechanisms. AK responded that he still anticipates having a number of JCC's at departmental level, and doesn't anticipate that there would be a massive change to the current consultation mechanisms. The new arrangements that have recently been agreed, will hold for this new structure but with some slight adjustments.

There was some discussion around the importance of getting the structure in this second phase right as it will have a knock-on effect for when the heads of service are reviewed. The union side stated that they believe this review needs to happen as there are a lot of staff lower down in the organisation losing jobs and they need to see that senior management is not exempt from the review process. AK assured the unions that the next phase of the review will be led by the strategic directors who will draw on the knowledge of the divisional directors below them, and expects that they will be given some direction from the City Mayor and the Head of Paid Service.

With reference to the salary scales, the union side pointed out that there are currently five heads of service on a salary of about £61k, particularly in property services. There are also project managers on similar salaries. With the proposed director's salary scales there is a danger that we will have project managers on higher grades than directors. AK stated that in his view, the salary range proposed will bridge the gap between heads of service and director. He also believes that senior management salaries dictate the level of other management salaries and therefore it is right that the level at which they are set puts downward pressure on what we pay consultants across the organisation. The union side agreed with this, but emphasised that requests for market increments needs to be managed properly.

AK continued talking through the proposals. He stated that these proposals move back to a departmental model and gives strategic directors both operational and strategic responsibilities. He stated that the proposals recognise that Department for Children, and Education is big and complex and should remain as it currently is. The only change in this area is that we will not be recruiting to the vacant AIP director post and instead merging AIP with Planning and Commissioning.

It is proposed that there is a Department for Adult Social Care, Health and Housing, which brings back together, adults and housing, and adds in the new responsibility for health. This post holder would be jointly the DAAS and the DPH. Under this director there will be two divisional directors of adult social care and one for housing, bringing together the HRA and the general fund. There is also a new post of public health and health improvement officer, which will probably be filled initially through a secondment from health and paid for by health until 2013. This type of secondment/joint appointment has worked well previously. One of our Strategic Directors was appointed under joint arrangements between the local authority and health and she is on a health authority salary for the duration of the joint arrangements. It is envisaged that the same arrangements will apply for the health officer post. Eventually health staff will TUPE across to the Council.

The union side asked why we had made an appointment to an interim ASC Director role ahead of the review. AK explained that this was a temporary six-month appointment, but the post holder would not be part of the review.

There is a new department called City Development and Neighbourhood Services with five divisional directors; (1) Planning, Transportation and Economic Development is an amalgamation of the Regeneration Highways and Transportation division and the Planning and Economic Development division. Some of the services currently in these two divisions will transfer out. (2) City Centre - the current city centre director post which manages partnership arrangements but has no operational responsibilities. These proposals will see services migrating into this area. (3) Property is being put in this department because of the close links with regeneration and the use of land and the portfolio of properties. (4) Neighbourhood Services will include some of the services previously within culture division, which has now been deleted, e.g. sports and libraries, and in addition, community safety, community services, customer services and adult skills and learning will sit in this division. (5) Citywide Services will include environmental health regulatory services, waste management, parks and open spaces, and environment and energy services.

The last arm of the structure is corporate services. This will be managed by the Head of Paid Service. It will include finance, HR and Information Management. The Strategic Support and ODI service will be combined with Corporate Governance and will result in a reduction of one director post, but creation of a new post called Head of Standards and City Solicitor.

Union side asked whether they would be an overall coordinator role in neighbourhood services. AK explained that neighbourhood services will include sports, libraries and community centres and next level in the structure will have more of a coordinating role.

The union side and asked whether the property director will continue to have a link through to Vi Dempster. AK stated that currently this is because BSF is such a key program for children's services and education, however there is no formal link.

AK then talked through the financial implications of the proposals. He stated that the enhanced director's salary rate is being abolished and that other levels would be capped. The resulting reductions in pay will save £100k. In addition, he is suggesting that directors forego their protection on a purely voluntary basis. The proposals will save £1.1m in a full year. This assumes some funding by the health authority. There could be potentially three displacements from the proposals.

The union side stated that they would not support the suggestion to give up protection.

In terms of the EIA AK stated that this will be provided in the standard format.

The union side asked if there was any indication of timetable for the third phase of the senior management review. AK responded that he would need to confirm this with the City Mayor.

AK informed the group that Ross Willmott has asked that progress on the senior management review is reported to scrutiny committee. The union side stated that this is not standard practice, and they would have concerns around confidentially issues and it being discussed by members outside of the agreed review process.

AK went through the timetable for the review.

The union side requested that the business case be sent to the teaching unions for information, even though they did not have members scoped into this review. AK agreed to circulate the document to them and also to include them on circulation list for all the papers from the review process so that they are kept fully informed about the review.

AK asked if there were any other issues that the unions would like to raise at this stage regarding the review. No further issues were raised.

Meeting closed.