

SENIOR MANAGEMENT REVIEW

Meeting held on Friday 28th October 2011

Tea Room, Town Hall

Present:

Andy Keeling (Chair);
Baljit Bains (HR);

UNIONS

Gary Garner (UNISON); Steve Barney (GMB) Relton Grant (UNITE); Kevin Gemmell; Stephen Bird (NASUWT); Ian Leaver (NUT); Jo Lovell (NAHT); John Bellamy (ATL)

DIRECTORS

Helen Ryan (HR); Jill Craig (JC); Adrian Russell (Ad.R); Ruth Lake (RL); Sarah Harrison (SH); Ann Habens (AH); Alistair Reid (AR); Deb Watson (DW); Trevor Pringle (TP)

1. Apologies for Absence.

Les Price (UCU); Miranda Cannon; Perry Holmes; Ann Branson; Andrew L Smith; Jeff Miller; Margaret Libreri. Tracie Rees; Rachel Dickinson

2. Business Case

2.1 Background & Rationale

AK explained that the review was being conducted under the new Protocol for Organisational and Staffing Reviews a copy of which is available on Insite.

The Business Case follows the template provided in the protocol.

AK explained that the previous review which was started by Sheila Lock was called to a halt due to the pending Elections. SL felt that to continue without input from the new City Mayor would not be right. Since being elected the City Mayor has decided that review of the structure should be done in phases. Phase one of the review was a proposal to delete the post of Chief Executive. This decision for this was ratified at full council on 4th August 2011.

AK explained that is the second stage of this review and has a different context to the review started by SL whose sole purpose was to save money. For this review there are a number of other reasons for the changes proposed.

Firstly there is the 2010/11 budget target of £0.8m as before. The proposals that had been put forward by Sheila Lock were expected to deliver £1.8m savings from all 3 tiers. AK's view is that we should save as much as we can, without putting the organisation at risk.

Secondly, we need to create a new senior management structure that fits with the new model of political governance. We also have to recognise that there is considerable overlap in the role of the new City Mayor and that of the previous chief executive.

Thirdly, we need a senior management structure that can share responsibility for the strategic direction of the authority with the new political executive but also have operational accountability.

Finally, the City Mayor believes that the matrix management model adopted in 2008 meant that lines of accountability were not as clear as they should be. The separation of strategic and operational responsibility has meant our lines of accountability are not clear.

HR stated that in the previous review, Heads of Service were included and asked whether they would be included in this review. AK explained that there will be changes to reporting lines for some heads of service as part of this review, but there is nothing in this phase, that changes their roles or their terms and conditions. However, there will be a third phase of this review, which will look at heads of service roles and this will be conducted by the new directors who will be in post as a result of this review. Ad.R queried whether this would impact on the series of reviews that are currently underway because of last year's budget process. AK confirmed that the senior management review should not be a reason for not continuing with those reviews, even though the third phase of the review may mean further changes have to be made. AK stated that we do not have the luxury of reviewing the organisation from the top down and he did not concur with the view that the hold-up in the senior management review should be used as an excuse for not carrying out reviews of service areas.

2.2 Proposals

AK explained that these proposals move the organization back to a departmental model creating four departments, three of which are headed up by a Strategic Director – a Department for Education and Children's Services which is largely unchanged - a department for Adult Social Care, Health and Housing - in recognition of the health reforms currently happening, and the fact that the city council will be getting back to responsibility for public health. AK explained that he has tried to build a structure that can enable the health services to come in. There is a new department called City Development and Neighbourhood Services and a Corporate Resources and Support department.

AK explained that the only change in Education and Children's Services is that the vacant role of director of Access, Inclusion and Participation has been

merged with the director of Planning and Commissioning to create a new role of director of Young People's Services and that Passenger Transport migrates into this department for reasons set out in the business case.

TP expressed concern that the proposals do not recognise how large the AIP division is. The Union side commented that currently there are only two heads of service in AIP and that this would need to be looked at in phase 3 of the review if the proposal to merge the two divisions is accepted. AK accepted this point and stated that this supports the decision that phase 3 of the review should be conducted by the relevant strategic director taking advice from the divisional directors in that area.

Adult Social Care, Health and Housing - AK explained that the three divisions currently in adult social care have been combined into two, bringing together care management and commissioning. He also informed the group that we have recently recruited additional support for the adult social care agenda and that this role will continue on a temporary basis to help the transformation process. The union side agreed that if we are merging two divisions together then the additional capacity needs to be kept until the next phase of the review is implemented.

AK continued that the proposals combine the current two divisional director posts in housing to create one director of housing post bringing together the HRA and the general fund.

City Centre Development and Neighbourhood Services – consists of 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. AK stated that he believes there is a lot of synergy between the planning and highways functions.

(2) City Centre - the current city centre director post currently has no operational responsibilities, but manages partnership and private sector arrangements. These proposals will see services migrating into this area , e.g. markets and some services from the previous cultural services division i.e. arts museums and festivals as well as Marketing. This will enable us to promote and integrate services across the city centre.

(3) Property - this function has previously been regarded as part of corporate support, but is being put in this department because of the close links with regeneration and the use of land and property as enablers of regeneration. HR stated that it may make sense to transfer the energy management function into the property division.

(4) Neighbourhood Services will include some of the services previously within the 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 is essentially the old environmental services division. AK stated that he had put energy management in this area, but will review this based on the comments received.

Corporate Resources and Support 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.

AK stated that HR and Workforce Development remains as is. He said that he did consider whether or not Programme and Change Management should be merged with this division, but felt that it was best to keep Human Resources separate to keep the integrity of HR during this period of tremendous change for the Council.

The union side asked what was happening to the revenues and benefits service. AK explained that this would transfer into the Information Management division.

JC said that she felt that the neighbourhood element of customer services should be separated out from the city centre and the call centre elements and that these should remain within Information Management.

AH stated that the same applied to revenues and benefits. She said she was concerned that the neighbourhood advice element of this function would be lost if it were transferred to Information Management, and this would impact on services provided to vulnerable groups at a time when there are other changes happening in the welfare benefits system. She felt that there needs to be some consideration that revenues and benefits is also about working with people rather than just processing transactions. AK responded that he was not sure how moving this service from Finance to Information Management would change the way that it currently works, but was happy to look at it. He asked AH to provide her rationale on this point, in particular where she thinks this service should sit. AH responded that it would best be placed in Neighbourhood Services.

AK continued to explain that in terms of the division, headed Delivery Communications and Political Governance, the rationale for this division is the need to change the current backroom policy, performance and strategy officer roles into a service that is more proactive in supporting the delivery of the mayoral priorities. He said that there was a good case for bringing together the existing democratic services function with the policy function. He also stated that the City and Deputy Mayor were keen to improve communications and it made sense, therefore, to locate the communications unit within this

division. AK was asked if the communications unit would be a resource for other departments. AK confirmed that it would be as the recent review of communications created a corporate resource for the Council and it is anticipated that this would still be the case. The marketing function will sit under the City Centre director as AK believes that marketing and communications can be separated although they are very closely linked but in our terms Marketing is about Marketing and promoting our services and the City. SH stated that, in her view, there needs to be really close links between the two.

A new post of Head of Standards and City Solicitor has been created, but in recognition that it is a relatively small area it will be at the lower end of the divisional director salary scale. AK explained that it is important to have this role, sitting outside of the services supporting politicians and the meeting agreed.

JC commented that the title, 'Head of' gives the impression that it is subordinate to a director role. She suggested that the title should be changed to City Solicitor and Head of Standards – Andy Agreed.

DW expressed a similar view about the title of the Public Health and Health Improvement role. This role will be responsible for providing advice to senior people in the NHS on care services. The NHS would expect someone in this post to be at a consultant (Dr) level, which in NHS terms is equivalent to divisional director. AK responded that he would take advice on the status of the roles in the health community.

AK stated that he was open to suggestions on the titles of posts as long as these titles are easily understood by the public in terms of what that role is responsible for.

RL suggested that in the Education and Children's Services department the role of Director of Social Care and Safeguarding should be prefixed by the word 'Children's' to make the responsibilities clear.

The union side asked for clarity on the structure diagram provided in the business case in terms of whether all the posts under the strategic director posts were of equal status as this is not clear. AK confirmed that they were of equal status and stated that in the final report, he would do separate diagram for each department, which will show all the posts on the same line (with the exception of the two City Officer roles).

2.3 Financial Implications

AK talked through the financial implications of the proposals. He stated that the enhanced directors rate is being abolished and that salaries for the 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.

The union side stated that they would not support the suggestion to give up protection as this is a move away from national conditions. They felt that this would be a bad example to set and were concerned that if directors had to forego their salary protection they would expect staff below them to do the same.

AK stated that he has been with the authority for many years and in this time has seen the inflationary growth of senior management salaries. The wages of the senior team had fallen out of step with the wages of the rest of the workforce, and that, given the level of cuts we are facing in the next few years, the senior management has a moral responsibility to be seen to be taking their share of the cuts. AK explained when considering senior management salaries for his business case he looked across other authorities for comparison of the levels of pay, and his proposals puts us at the lower end of median pay for senior management. He said he appreciated that this may cause some difficulties in the short term. In terms of forgoing pay protection AK stated that he has made the suggestion in the business case and it is purely voluntary and that he would not press this point.

The union side pointed out that there are currently five heads of service on a salary of £61k, particularly in property service. 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 bridges the gap between heads of service and directors,

TP, asked if directors would be appointed at the point nearest to their current salary. AK confirmed that they would.

Ad.R made the point that voluntary waiving of protection would have no real impact on the savings. AK stated that if all directors were to forego their protection. This would save £200k.

AH stated that directors were already giving up some of their terms and conditions, e.g. car parking. AK agreed to look at withdrawing this voluntary option proposal.

2.4 Timetable

AK stated that the review had been hanging over us all for a long time and that although the timetable appears tight, this is a relatively contained group and that the timeline allows ample time for proper consultation. KG asked on behalf of one of his members, whether there was any option for an extension to allow directors to put forward alternative suggestions. AK stated that he felt that the timetable allowed sufficient time for this.

3. Initial Feedback on Proposals

AK asked if anyone had any further feedback on the proposals. The group felt that they had raised the issues as the meeting went along and had nothing further to add.

4. Mechanism for Future Feedback

AK stated that he would welcome any alternative proposals and feedback. He asked the group to submit comments by e-mail.

HR queries should be sent to Baljit Bains and copied to AK.

Comments on the proposals should be sent to AK and copied to BB

Comments on job descriptions should be sent to Andrew Shilliam and copy to AK

Any personal issues or queries should be sent to AK and copied to BB if appropriate

He confirmed that all communications regarding the review would be posted on Insite for all to see. However, if anyone wished to raise issues of a personal nature they should make this clear when they submit their comments and these will be dealt with confidentially.

AK stated that he has been asked by a number of people how alternative proposals would be viewed by the City Mayor. AK informed the group that the proposals put forward are for consultation and that the City Mayor has been very clear that he wants it to be genuine consultation. AK stated that he is not an expert in all areas of Council business and he would welcome feedback and constructive proposals and people should not feel inhibited. He asked that the group bear in mind the reasons for the review and savings that need to be achieved if submitting alternative proposals.

AdR asked whether the business case could be circulated to other staff. AK confirmed that he wanted this review to follow the same process as all other reviews. The process should be open and transparent, and he saw no reason why the business case could not be shared at this stage. BB confirmed that a page has been created on Insite and that all documents would be available for anyone to access.

AK informed the group that Ross Willmott has asked that progress on the senior management review is reported to scrutiny committee. The union side have formally raised concerns about this in writing and that he (AK) has forwarded this to the City Mayor.

AK confirmed that the deadline for initial comments is Friday 11th November 2011.

5. Any Other Business

Andy talked through his understanding of the assimilation and matching process as per the review policy and checked back with Directors and Trade Unions that his interpretation of the policy is correct. These are:

Substantially Unchanged Posts – Assimilate

You will be placed directly into a post in the new structure, without a selection process, if:

- 75% of your current job description forms at least 75% of the new one; and
- the grade of the posts in the current and new structures are the same; and
- there are not more employees than posts in the new structure.

If the first two criteria above are met but there are more employees than posts, there will be a competitive selection process.

Changed Posts – Match

You will be ‘matched’ to a post if it is considered potentially to be a suitable alternative job. The criteria for ‘matching’ are:

- Between 25% and 74% of your current job description is contained in and forms 25% - 74% of, the new one; and
- The post in the new structure is the same as or one grade above or below the grade of your current post

‘Matched’ employees will be subject to an assessment process to determine whether they meet the requirements of the changed job, even if there are not more employees than posts. It is likely that this assessment will take the form of a Member interview. If there are more employees than posts the assessment process will also be competitive.

New and Unfilled Posts – Ring-Fence

Any posts in the new structure which do not meet the above criteria for assimilation or matching, or which remain unfilled after those processes, will be ‘ring-fenced’ – ie recruitment will be limited – to an identified group of employees, which could be wider than the review group if appropriate.

Ring-fenced employees will be subject to an assessment process.

AK said he couldn’t for see a situation where anyone would be given more than one slot unless there is an exact split of 50/50 between two new roles when comparing new and previous roles.

6. Date of Next Meeting

The next meeting will be held on 15th November 2011 at 2.00pm, Tea Room, Town Hall.