

**SENIOR MANAGEMENT REVIEW**

**Meeting held on Tuesday 15<sup>th</sup> November 2011**

**Tea Room, Town Hall**

**Present:**

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

**UNIONS**

Gary Garner (UNISON); Steve Barney (GMB) Kev Gemmell (UNITE) ;Jo Lovell (NAHT);

**DIRECTORS**

Ruth Lake (RL); Tracie Rees (TR) Fiona Skene (FS) Jeff Miller (JM); Adrian Russell (AdR); Perry Holmes (PH); Miranda Cannon (MC); Deb Watson (DW); Alistair Reid (AR); Sarah Harrison (SH); Margaret Libreri (ML); Trevor Pringle (TP); Andrew Smith (AS);

**1. Apologies for Absence.**

Stephen Bird (NASUWT); John Bellamy (ATL); Helen Ryan ; Jill Craig; Ann Habens; Rachel Dickinson

**2. Minutes of the Meeting held on Friday 28<sup>th</sup> October 2011**

**2.1 Accuracy**

Agreed as a correct record with the following amendment:

Page 3 paragraph 2: TP confirmed that it was the merging of two Divisions that created Capacity issues whereas the minutes only referred to one Division.

Page 3 paragraph 3: the reference to the two divisions been combined in adult social care should read care services and commissioning.

**2.2 Matters Arising**

Page 5: paragraph 2 – PH stated that as he was not present at last meeting, he wished it to be noted that he does not share the view that it is important to have the role of Head of Standards and City Solicitor sitting outside of the services supporting the politicians. He added that it was commonplace for these two services to be managed together.

AK responded that the point that was agreed by the meeting was that if the City Solicitor is in charge of standards, then this role should not sit so close to member support.

Page 5: paragraph 3: DW informed the group that guidance for the transfer of NHS staff to the local authorities is not yet clear. This guidance is expected to be available at the end of the year and the grades of the public health staff will need to be revisited once this guidance is available. AK explained that we were awaiting a national set of HR rules around staff transfers. These rules would cover things such as job roles and grades and other regulatory issues. The role of the DPH might need to be re-examined in light of these rules.

Page 6: 3<sup>rd</sup> paragraph – GG pointed out that the union side had referred to a number of heads of service posts that were on LSM Grade 3 and above, some with market increments, and in particular in property services there are project managers that are paid in excess of £70k to £80k. He reiterated the point made at the first meeting that it is important in the light of this to look at the differential between heads of service and directors pay. AK stated that the situation that GG has described currently exists, i.e. where some staff are paid higher salaries than directors.

### **3. Initial Feedback and Responses on Structures and Job Descriptions**

AK explained that he had received initial feedback from a number of people and that he intended to group these comments together into the departmental blocks described in the business case in order to respond to them in a logical way. He stated that this feedback would work better if it were interactive and that members of the group should interject if they feel he has missed a point or that they want him to elaborate on any particular response. He would deal with feedback on the job descriptions at the same time as feedback on the structure as the two were linked in many cases.

He said he was pleased that a lot of people made positive points and were generally supportive of the rationale to move back to departmental arrangements, and that there was agreement with some of the detail of the proposals. He thanked the group for these positive comments. He explained that he intended to go through in more detail the areas where there were challenges to the proposals. He would begin with feedback on general points raised and then group the remainder of the feedback under the four departmental headings:

#### **(a) General Comments**

- (i) Re:ODI Board and SMB Merger

Comments received on why the two Boards were being merged.

**AK response:** For the last six months the same people have been sitting on both boards and issues and agendas have been managed well during this time. AK's view is that we don't need to have separate constituted boards involving the same people and creating unnecessary administrative work of two types of agenda's, sets of notes etc.

(ii) Budgetary Control

Concerns were raised that by going back to the departmental model budgetary control will move from divisions to departments and that the transparency achieved through managing budgets at divisional level would be lost. There was also the concern that Ops board would be weakened as a forum as many budgetary agreements are made at that board. It was also felt that departmental budgetary control could hasten the shift towards departments acting as silos.

**AK response:** in agreement with the sentiment, but stated that governance and finance procedures will need to be worked through post review.

(iii) Savings target.

There was a desire to understand the basis of the savings outlined in the business case, including the position of vacant posts and posts where voluntary redundancies have been agreed.

**AK response:** voluntary redundancies have been taken into account towards the savings target. The business case gives the full year effect, but this includes a provisional figure which assumed that everyone would give up protection payments. Advice was received from the financial strategy team in preparing the financial implications.

(iv) Salary levels

Concern was expressed that the salary levels given in the business case won't reflect the market in future and concern was expressed about the protection suggestion.

**AK response:** As explained at the first meeting, the salary scales given in the business case put us at the lower end of the median range of salaries for comparable authorities. The salaries remain competitive and could be reviewed in future if it was felt appropriate. AK confirmed that he would not pursue the proposal for directors to voluntarily waive their protected salary payments.

GG commented that salary levels don't address the lack of capacity issues. Capacity is resolved by more staff not paying Directors more.

**(b) Feedback received for proposals for Education and Children's Services**

(i) Name of the Department

Preferred name is Children and Young People's Services.

**AK response:** Education and Children's Services is a more accurate description for the Department. Education is a big distinct area and having it the title of the Department makes it more recognisable to the public.

TP commented that this would be out of step with every other local authority.

(ii) Social Care and Safeguarding Division.

There was a proposal to change the name to Children's Social Care and Safeguarding.

**AK response:** Agreed

(iii) Capacity issues

Comments received about the capacity at Divisional Director level, and also Heads of Service level.

**AK response:** Sympathetic to the points raised. However, three divisional directors is proportionate to the proposals in other areas. Accept that some rebalancing will be required in phase 3. In the previous review started by Sheila Lock, the majority of the savings were at heads of service level. In this review, there will be considerable savings in this current phase so we will have more flexibility at Head of Service level this time round. Accept that we will need to have sensible discussions about capacity in phase 3.

TP stated that whilst he understood the reasoning for AK's response, he still believes that the management spans of control are too large.

(iv) Concerns about the next phase of the review

Concerns expressed about the anticipated reduction at heads of service level.

**AK response:** Point noted. Heads of service tier is not part of this review, but the points made should inform the next phase.

ML added that this relates to GG's point that if there were fewer divisional directors, we need to ensure that we have adequate capacity at heads of service level. AK responded that he will not be leading the next phase of the review. This will be done by the appropriate strategic directors in consultation with divisional directors.

GG stated that it was difficult in the current climate to put together a case for increasing numbers at senior management level. He added that the use of consultants was a concern for the union's particularly given the levels of salary they are being paid. He agreed that there were capacity issues, but heads of service should not be replaced by consultants.

(v) Omissions of some areas from the job descriptions.

Admissions and School Organisation should be included in the job description for Divisional Director (Young People's Services) and Behaviour Support should be moved from this post to the Director (Learning Services).

ML added that Special Needs has been put in the Director Young People's Services job description, but responsibility for the delivery of the service is currently part of Learning Services. To move this service would be very disruptive. ML wanted to check out with Rachel Dickinson

**AK response:** Happy to take changes on board - asked ML to clarify what should sit where and let him know.

(vi) Passenger Transport

Disagreement with the proposal to put Passenger Transport in the Children's portfolio because of a lack of capacity.

**AK response:** Also received comments on this from AS & JM. AK's view is that it is entirely right that Children's should shape this service to reflect their needs and to do that they need to have control of the service. AK stated that he is aware that changes will happen to passenger transport over time and that this would give us the opportunity to put this move on hold, but the overriding principle remains that children's should be in charge of this service.

AR agreed that this was a sensible compromise as to move this service now would be passing over the transformation problems. However ultimately passenger transport will be a service for children's department and this will give them the opportunity to be in control of the procurement of the service. JM stated that the impact of personalisation is a big unknown for the passenger transport service, and it could be some time before the picture is clear. DW stated that next year there will be some shift from adults, but the majority of the shift will be with the changing nature of daycare. TP stated that we are looking at possibly two years as the consultation on daycare does not begin until next year.

GG commented that it is obvious that we can't continue to deliver all of our service as we previously did with the scale of savings that has to be achieved, but that it is important that all changes are consulted on.

AK agreed to drop this proposal from the review and revisit this proposal at a later stage (2 years was mentioned as being appropriate).

(vii) Heads of Service Salaries

It was suggested that the position of some heads of service within children's should be changed and that they be put on the lower tier of the director's salary scale.

**AK response:** this is not part of this review, and it needs to be discussed in phase 3 but he personally would not be sympathetic to this upward pressure from Senior Managers.

TP stated that it is important to keep close watch on capacity issues in the next phase of the review.

(viii) Responsibility for the Voluntary Sector

Disagreement with the proposal to give the Strategic Director post the strategic lead for the voluntary sector based on capacity issues.

**AK response:** Each strategic director has been given responsibility for one crosscutting area. These areas have been allocated based on departmental relationships with the relevant sectors. The rationale for doing this was to ensure that there is a single point of strategic leadership for each of the areas and this is the fairest way of doing this. In the past these have been the sort of areas that have slipped between roles.

**(c) Feedback received for proposals for Adult Social Care Health & Housing**

(i) Inconsistency in the way that the two roles for adult social care have been treated.

**AK response:** Accept the suggested changes to the job descriptions.

(ii) Public Health Post

General support for this post, but needs to be kept under review in light of the comments made in section (a) regarding the rules for the transfer of health posts to the local authority.

**AK response:** Agree.

(i) Director of Public Health.

This post should be at strategic director level, and report directly to the Head of Paid Service.

**AK response:** Agree.

(ii) Adults and Children's Strategic Director

Proposal put forward to merge, adults and children's at the Strategic Director level

**AK response:** This directly contradicts the recommendation of the Monro report, the current proposed structure has better synergies in it.

(iii) Separate Strategic Director of Public Health

Proposal put forward to create a separate DPH post strategic director level.

**AK response:** This would be financially prohibitive, and would create an imbalance in the structure and portfolios. AK informed the group that the Chief Executive of the County and City PCT was supportive of integrating the DPH post into our structures.

DW stated that incoming DPH post had been incorporated into structures in a variety of ways in other authorities. DW added that Leicester has significant problems with the health of its population and as a consequence there is a high level of demand for NHS and Adult Social Care services. She stated that there are growing synergies between the preventative agendas for the NHS and Adult Social Care. Andy added that the current proposal will assist with the joint commissioning agenda.

(iv) Interim Divisional Director Adult Social Care.

There was a suggestion that the interim divisional director of Adult Social Care should be retained longer than six months.

**AK response:** this is not in the scope of this review and would be a decision for the relevant Strategic Director, Head of Paid Service, Assistant Mayor and the City Mayor to make.

#### **(d) City Development and Neighbourhood Services**

(i) Capacity issues

Concern expressed about capacity by merging the Planning and Highways divisions. Alternative structures were put forward, including options for funding sources.

First suggestion was to keep the status quo. Second suggestion was to keep two divisions, but realign some of the functions. The second suggestion separates the strategic functions from operational functions.

**AK response:** Tried to recognise the capacity issues by migrating some services out of this area. The funding sources put forward were in the main internal to the Council, which means that there would be a cost to the organisation for this proposal. The additional cost of putting back in another

divisional director post (£120k) can't be justified against the scale and benefits that this proposal would bring.

AS commented that leaving passenger transport in this division as discussed earlier would add to the capacity issues. Andy agreed but only on a temporary basis.

(ii) Chief Planner Role

The question was raised about whether the fact that the Chief planner role was included in the divisional director's job description meant that this person would have to hold the relevant qualification.

**AK response:** On reflection this role could sit with the Head of Planning just as comfortably. To include it in the divisional director role would be unfair to one of the two current post holders.

(iii) Customer Services

Suggestion that the customer services function should be retained within information management as the neighbourhood element of this was fairly small compared to the centralised call centre and city centre provision.

**AK response:** Agreed, but there would need to be good, close working relationship between information management, and neighbourhood services.

(iv) GIS Team

Suggestion that the GIS team currently in planning should move to information management.

**AK response:** Could see the rationale but not a matter for this review, and should be looked at in phase 3.

(v) Revenues and Benefits Team

Suggestion that this team should move to the neighbourhood services division and not be put in information management.

**AK response:** Having considered this further and given that there is big reform agenda for Benefits payments and this will have a significant impact on the finances of the Council, this team should be stay in the finance division also it has been an improving service whilst in Finance (it has been looked after temporarily from Safer and Stronger).

(vi) Additional comments from Heads of Service in Culture

These comments focused on how we might work in the future and have no bearing on the structure proposals put forward in this review.

## **(e) Corporate Resources and Support**

A number of alternative proposals were put forward as follows:

(i) Delete Director of HR post, and put HR in the Delivery Communications and Political Governance division. Move some functions out of Delivery Communications and Political Governance into Head of Standards and City Solicitor portfolio, and move this post up to divisional director level

(ii) Retain director of HR post, change Delivery Communications and Political Governance post to Head of City Mayor's Office post, (and down grade to lower level director) moving some of the functions out of this post in to the Head of Standards and City Solicitor post ( as above), moving the latter post to Divisional Director level.

(iii) As Option (i) but with Communications function in City Solicitor and Head of Standards post.

**AK response:** Can see, the rationale for moving Registration and Coronial services into the Head of Standards and City Solicitor post. Not supportive of the proposal to make changes to the HR post because the principle that we would not change the HR function during a time of major change for the Council has already been agreed through the ODI Programme, Andy has seen nothing in the counter proposals to change this.

Communications should stay within the 'Delivery' division because it is synonymous with working with the City Mayor's team.

Electoral Services sit better alongside the democratic function.

The case put forward for moving the Emergency Management function under the City Solicitor post was based on the need to have detailed knowledge of the law surrounding this area. However, legal services provide detailed legal knowledge across the whole authority, this does not mean that all services should sit within legal services.

PH asked which other authorities AK had looked at when putting together these proposals. AK stated that he hadn't looked at other authorities. (Note: AK had reviewed comparator Unitaries and Mayoral Authorities when looking at the role Chief Finance Officer in early Summer)

PH commented that he had looked at other Mayoral authorities before submitting his comments. This included Newham, which is comparable to Leicester and they maintain the Monitoring officer role at Divisional Director level. PH asked AK how he could justify having this role at a lower level than the other divisional directors. AK stated that every local authority is approaching it differently. The justification for placing this post at lower-level director is based on the size of the portfolio compared to others. It is not intended as a denigration of the significance of this role.

(iv) Administration Services

Proposal to put Administration services within the 'Delivery' division

**AK response:** It was always the intention to have Administration services and Democratic services together.

(v) Two Tier Divisional Director salaries

Disagreements with on the one hand abolishing the enhanced director level of pay, and then creating a lower-level director salary band. The view put forward was that all directors should be on the same salary band.

**AK response:** The rationale for putting in two smaller roles on a lower salary band was to save money and to reflect that their work and responsibilities are not of the same order as the Divisional Directors.

MC commented that having a level of post between director and head of service could result in heads of service arguing for enhancements up to that level. There needs to be a clear differential between director and head of service pay to avoid this.

PH agreed that having 2 posts at the lower level would encourage Heads of Service to ask for that level of pay.

GG stated that the union side would not support pay cuts or the removal of protection, and agreed that creating this level of post between heads of service and director could result in some heads of service asking to be paid at a higher rate, simply because the differential is so small. This has already been demonstrated in the comments put forward by the directors in education and children's services.

AK appreciated this but it is up to Directors and himself to withstand this pressure if it doesn't agree with it. Gary also thought it would be viewed by staff as gerrymandering single status.

(vi) IT, HR and Finance Posts

Some comments put forward suggesting that the IT, HR and finance divisions were too small to warrant a director for each area.

**AK response:** Would not want to reduce the capacity in these areas at this point given the changes that the authority is facing currently. However, this could be looked at in the future.

PH asked how AK has differentiated between IT, HR, Finance, compared to Legal. AK responded that these areas have much higher staffing levels, budgets and are much more at the forefront of the transformation agenda.

## 5 Next Steps

AK explained that he would circulate his draft final report for the review to the group for comments.

In order to be able to draft this report, and keep to the timetable for the review AK asked for any comments on the alternative proposals and his responses should be sent to him (copied to Baljit) by the end of the week (Note: on reflection I can draft the report and still keep consultation channels open, so I am happy to do that until the 28<sup>th</sup> November) . These comments could then be incorporated into the report before it is circulated to the group.

The final report will then be prepared for the City Mayor to see.

AK informed the group that a legal issue around chief officer appointments was raised with him and he has subsequently sought further advice from Anthony Cross in legal services. Although his conclusion is that the regulations are mostly silent on the issue of making changes within the existing structure.

AK continued that the final report of the review will need to go to Cabinet and then to the Employees Committee for final signoff, aiming for between the 15<sup>th</sup> and 20<sup>th</sup> December. Following this, the Head of Paid Service has to report the changes that have been made to full Council and ask them to note the changes, probably in January or February.

AK explained that any interviews required, whether competitive or competency will be carried out by Employees Committee(s). Following this process, if there are any redundancies certain Chief Officers will have the right to appeal to a further Employees Committee.

GG asked if AK was still intending to table the slotting in list on 2<sup>nd</sup> December. AK confirmed that this was still his intention.

AK reported that he had been invited to the Next Overview Scrutiny meeting to discuss the rationale for the review as contained within the business case. Taking on board the views expressed by the unions previously and given that scrutiny have a legitimate right to ask about this review AK has agreed for the Business Case to go to Scrutiny Committee as requested. AK assured the group that he would only be discussing the rationale for the business case and won't get involved in discussions about individuals.

GG expressed concerns about this as the scrutiny committee is a public meeting and stated that he would take further advice from his regional officer.

AK emphasized that he would only be talking about the rationale for the review.

FS stated that, legally, the consultation process is between staff and unions, and that it was important not to talk about individuals. In addition, staff should not lobby members.

AK assured the group that he would refuse to answer any questions about individuals. He said Trade Unions are able to attend if they want to observe proceedings.

## **6. Any Other Business**

None raised

## **7. Date of Next Meeting**

The next meeting will be held on Friday 2<sup>nd</sup> December 2011 at 2.00pm on A7, NWC.