

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COUNCIL – 28 SEPTEMBER 2010

Title of report	'FACING THE FINANCIAL CHALLENGE' – SENIOR MANAGEMENT STRUCTURE
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Purpose of report	<p>This report forms part of a suite of reports under the programme of "Facing the Financial Challenge" designed to prepare the Council for the financial challenges ahead. This follows a period of informal and formal consultation that has already taken place with senior officers of the Council followed by Trades Unions and all staff, based on a substantially reduced structure to reduce management costs and to streamline the Councils approach to service delivery.</p> <p>It is important at the outset for members to share a common view about the objectives of the senior management structure and the reasons why it needs to be changed. This report therefore raises a number of general issues to inform the debate, prior to recommending a revised structure for members to approve.</p>
Strategic aims	All
Implications: Financial/Staff	<p>The proposals will lead to salary savings at Senior Management level these are detailed in the report.</p> <p>Under the proposals, five of the existing Heads of Service have been placed 'at risk' and will be covered by the arrangements contained in the Employment Stability Policy. If redeployment options prove to be unsuccessful there will be redundancies at Head of Service level.</p>
Link to relevant CAT	All

Risk Management	Risk management is applicable to all areas of the Council's statutory duties and service provision, and forms an important element of good governance. There is a risk that a significant downsizing of the senior management structure will have implications for the capacity of the management team. Proposals to mitigate this risk through changes to working practices are detailed at in section 4.1 of this report.
Equalities Impact Assessment	Has been completed. Available in the office of the Chief Executive.
Human Rights	None identified in the substance of this report.
Transformational Government	This review is a fundamental part of service transformation.
Comments of Head of Paid Service	As author of the report, the Head of Paid Service has no further comments.
Comments of Section 151 Officer	The report is satisfactory.
Comments of Monitoring Officer	The report is satisfactory.
Consultees	CLT and members of the Corporate Leadership Forum Trades Unions and all staff
Background papers	Consultation report available from Human Resources Manager
Recommendations	<ol style="list-style-type: none"> 1. THAT COUNCIL NOTE THE OBJECTIVES OF THE SENIOR MANAGEMENT REVIEW. 2. THAT COUNCIL APPROVE THE REVISED SENIOR MANAGEMENT STRUCTURE AS SET OUT IN APPENDIX 1. 3. THAT THE HEAD OF LEGAL AND DEMOCRATIC SERVICES / MONITORING OFFICER BE AUTHORISED TO MAKE ANY CONSEQUENTIAL AMENDMENTS TO THE CONSTITUTION AS A RESULT OF THE REPORT.

1. CURRENT SENIOR MANAGEMENT STRUCTURE

The Council has brought together under one programme all the current strands of work to address the future financial challenge faced by the Council. The programme is called 'Facing the Financial Challenge'. Although Government spending plans for the next three years will not be known until 20 October 2010, it is clear that the Council can expect a cumulative reduction in its grants over that period, and in response has set an estimated target of 30% cash savings from 2011-2014, which amounts to a total saving

of around £3m by 2014. Once announcements have been made by the Chancellor, this target will be refined and may increase.

It is intended that the target reduction will be achieved by building on the Council's current efficiency programme, which since 2007 has saved in the region of £1.5m. It is acknowledged that the Council is already a lean organisation, so making cash savings of the magnitude required is going to be extremely difficult, especially if key public services are to be protected wherever possible. Due consideration must also be given in this process to 'local issues,' which may increase the pressure to spend or reduce income levels.

Examples of the actions being considered to meet this challenge are as follows, which if achieved will result in a smaller organisation, employing fewer people, occupying less office space and concentrating on a reduced range of high quality value for money services, predominantly of a statutory nature:

- A reduction in management costs
- A reduction in accommodation costs
- Alternative delivery methods, with other councils (shared services) and/or the private and voluntary sector
- New income opportunities
- Management of vacancies
- Efficient procurement
- Challenging efficiency
- Restricting the use of external expertise
- Challenging the costs of democracy

As Members are aware, because of a number of vacancies at a senior level in the organisation, the Council is currently operating under an interim structure until such time as a permanent arrangement can be agreed. However, for the purposes of this report, it is important to remind members of the formal approved structure to enable proper comparisons to be made with the proposed new structure set out in this report, and to calculate the true level of budget savings that will accrue to the Council, following the implementation of any changes.

The approved senior management structure down to Head of Service level is as follows:

Chief Executive

- Head of Service Transformation

Corporate Director/ S151 Officer

- Head of Finance
- Head of Legal and Democratic Services/Monitoring Officer

Community Director

- Head of Housing
- Head of Neighbourhoods and Communities
- Head of Leisure and Culture

Environment Director

- Head of Place Shaping
- Head of Street Management
- Head of Environmental Health

The senior management structure therefore incorporates 13 posts at Head of Service and above, at a total cost, including salary overheads, of £1.063m per annum.

Below this level there are 25 'Service Manager Posts' and these will be the subject of a further review once decisions on the top management structure have been reached. It is anticipated that this review will commence in November 2010 and be concluded by January 2011

2. CRITIQUE OF THE CURRENT SENIOR MANAGEMENT STRUCTURE

Members may wish to consider the following:

- Service areas vary substantially in size and scope, and the division of services between Directorates can at times frustrate the greater service integration and co-ordination that is increasingly necessary to deliver cross cutting priorities.
- The gross salary cost at Head of Service level and above of £1.063m represents around 7% of the budget, after allowing for HRA charges, and this level of managerial on-cost is unlikely to be sustainable in the future as government grants are withdrawn from Council's to meet national deficits.
- Skill shortages now exist in key areas, especially in the corporate centre. This leads to reliance on short term sharing arrangements with other local authorities or on external contractors/interims to fill gaps or manage major projects. Every effort is made to make these arrangements as cost effective as possible. This is particularly the case given the recent departure of a number of key staff occupying senior posts at the corporate centre, where interim arrangements have now been put in place.

There is no doubt that the retention of key staff is beginning to be an issue for the Council to consider. Currently the Council relies heavily on a relatively small number of high quality senior officers who display considerable commitment to the Council, and who will be difficult to replace. The proposals in this report suggest a material reduction in the size of the senior management structure, and if adopted the Council will need to continue to value and support these officers appropriately for the contribution they make through what is likely to be a very challenging period for all local authorities.

3. OBJECTIVES OF A REVISED SENIOR MANAGEMENT STRUCTURE

To be effective any revised structure needs to be fit for purpose, be aligned to broad Government and Council objectives, and provide value for money within the limited resources that are likely to be available to the Council in the future.

Developing such a structure does not need to be a lengthy and complicated process that gets bogged down in detail. Rather it should flow naturally from consideration of:

- What the structure is designed to achieve.
- The resources that members are prepared to devote to it.

- Minimising unnecessary disruption during the period of change.
- Adhering to the Council's organisational change policies.
- Minimising termination costs.
- Improving the capacity of the Council to develop and deliver cross cutting initiatives and service transformation
- Maximising the attractiveness of senior management jobs in the 'market place'
- Recognition of a changing level of support for members in the future.

All Councils have a significant number of responsibilities placed upon them. This Council is no exception, for example:

- Building and shaping local identity.
- Representing the community.
- Regulating harmful and disruptive behaviour.
- Maintaining the cohesiveness of the community and supporting debate within it, ensuring smaller voices are heard.
- Working to make the economy more successful while being sensitive to pressures on the environment.
- Understanding local needs and preferences and making sure that the right services are provided to local people.
- Working with other bodies to respond to complex challenges and to share services.
- Responding to the impact of the financial deficit at national level, which is likely to result in substantial reductions in future government grants.
- Responding to local issues, such as decreases in income levels and increased commitments.
- Challenging the cost of democracy in the face of these financial pressures

These responsibilities and challenges are unlikely to reduce in the foreseeable future. Indeed, there is every prospect they may increase as financial challenges bite harder and the Council seeks innovative ways to maintain service quality. All of these issues require a high level of strategic input and an integrated approach to service delivery that transcends traditional departmental boundaries.

With these points in mind, local authorities must, as a minimum, design their senior management structures to continue to:

- Ensure the delivery or commissioning of integrated, efficient and effective services to customers, aligned to members' priorities and agreed budgets.
- Ensure the Council fulfils its role as a 'shaper' of the local community through enhanced partnership working with other agencies and effective neighbourhood activity, good forward planning and economic development.
- Commission, but not necessarily provide, a range of high quality, value for money professional 'back office' services to support the front line, and to ensure sound governance.
- Provide robust internal challenge to service performance and a culture of timely service transformation.

4. A RECOMMENDED REVISED SENIOR MANAGEMENT STRUCTURE

The following paragraphs build on the above, by suggesting a revised structure which conforms to these essential requirements, whilst producing significant financial savings.

4.1 Delivery of services and shaping the local community

Currently the management structure divides these functions between two Directorates, but with the departure of the Community Director an opportunity exists to merge all front line service delivery under a single Director. This makes sense both to reduce cost and to increase the effectiveness of cross service working through a greater integration of service delivery. Such a combination has received broad support from senior managers, but variations in opinion exist regarding the division of duties at Head of Service level. It is important to recognise however that there is no 'right answer' to the division of duties within a Directorate, as it depends on the emphasis members wish to give to particular services at any one time, changing service demands and the resources at the Council's disposal. It is therefore helpful to retain the flexibility for the Director to make realistic changes in duties between Heads of Service as circumstances demand.

Taking account of the above, and in order to provide a reasonable level of management capacity at Head of Service level it is suggested that all front line services are managed by a single Director and three Heads of Service as follows:

- Housing and Customer Services
- Community Services
- Planning and Engagement

With regard to the position of Director, it is recommended that this position also takes on the role of Deputy Chief Executive and is re-named '**Services Director and Deputy Chief Executive**'. This will be a strategic post and it is important that the post holder refrains from getting involved in day to day issues, as appears to be the case on occasions within the current structure. The role of Deputy will only come into being in the absence of the Chief Executive and at other times the post holder will have no line responsibilities for Heads of Service in the corporate centre, to fully maintain their ability to challenge the Director on issues of a legal/financial nature. This post is the Chief Planning Officer.

The post '**Head of Service – Housing and Customer Services**' will have a core role of managing all aspects of the Council's housing stock, but will also take on the management of an integrated customer services unit that combines the currently divided arrangement between Housing and the corporate centre. There is also a strong local argument for incorporating the examination and reporting of 'corporate performance' within this area, given the need to integrate this activity within the Council and the expertise that currently exists within the housing service.

The post of '**Head of Community Services**' will take responsibility for all the day to day 'universal' services provided and/or commissioned by the Council for its residents, including enforcement services.

The post of '**Head of Planning and Engagement**' will look to 'shaping' the future and combine all the Council's strategic land and economic planning activities, including

strategic housing, and take the lead on area working. This was previously titled “Head of Place Shaping”.

It is proposed to ring fence the existing Heads of Service for the new post of Head of Community Services. Job descriptions of all the Heads of Service will be reviewed and updated to reflect the proposed revised roles.

The proposed structure reduces the number of senior managers from 13 to 7, which will inevitably have an effect on management capacity. It is stressed that the proposed structure is one which is designed for a smaller council, operating with significantly less resource. Nevertheless it will be necessary to consider a number of initiatives as part of the review to ease the pressure on capacity and to minimise pressure of work on managers who will face an increase in their responsibilities. The changes being considered are as follows, and Consultees are requested to comment on these and any other initiatives they wish to propose:

Organisational

- Creation of a new Leadership Team to include all Heads of Service, to meet fortnightly rather than weekly; removing the need for Departmental Management Meetings
- Flexibility in working across service groups at strategic and corporate level.
- Review of the scrutiny function to reflect the Councils resources.
- Rationalisation of internal/external meetings
- Review of Local Strategic Partnership (LSP) arrangements to reduce demands on the council
- Pooled secretarial assistance
- Greater flexibility to allocate work within the team

Working arrangements

- Greater home working
- Better more consistent technology
- Flexible working arrangements

Some of these changes will also be appropriate for, or impact on, other parts of the officer structure, and are being considered as part of the wider ‘Facing the Financial Challenge’ programme.

4.2 Provision/Commissioning ‘Back-Office’ Services

The corporate centre of the Council is managed by a Director (currently vacant), assisted by two Heads of Service – a Head of Finance (currently vacant) and a Head of Legal and Democratic Services. Both these Head of Service posts also carry the statutory duties of S151 Officer and Monitoring Officer respectively. A further Head of Service reporting directly to the Chief Executive deals with Service Transformation, and this is dealt with in paragraph 4.3 below.

Given the current level of vacancies that exist, opportunities are available to refine and focus the Council’s approach to the delivery of ‘back-office’ services, bearing in mind the increasing need to seek out sharing opportunities to reduce overhead costs to protect front line services.

Consultation with senior officers has emphasised the strategic importance of the 'Finance' function, which is currently depleted, and the need to reconsider whether service transformation continues to merit a dedicated Head of Service role.

The Council faces a dilemma in how to deal appropriately with a potentially diminishing back office configuration, whilst strengthening its ability to protect its financial integrity and seek out opportunities for service transformation – at the same time as reducing overhead costs. Under these circumstances the employment of a highly skilled and experienced finance professional is a prerequisite, who can spend the bulk of his/her time on financial matters. This will be more appropriate at Head of Service level, therefore not distracting the post holder by giving directorate responsibility for managing a much wider range of disparate support services, although realistically a number of such services will need to be managed through this post. Other support services can then be managed directly by the Head of Legal and Democratic services, thus removing the need for a Director position within the structure. This will require the Chief Executive to directly manage these Heads of Service, which will slightly increase her direct supervision duties.

Clearly this will diminish the corporate capacity of the Council somewhat, and will increase the risk that additional temporary professional support may be required to deal with 'one-off' issues that may arise from time to time, but the Council should take care not to increase its support costs on a permanent basis at this stage, given the likely reductions in allowable spending over the next few years. The current vacancy at Director Level allows members to take this step without incurring substantial termination costs.

Under this arrangement 'back office' services will therefore be managed by two Heads of Service reporting directly to the Chief Executive. Although these posts will not have the same level of staff or direct budget responsibilities carried by other Heads of Service, these are important statutory posts carrying significant personal responsibility, as well as requiring a high level of professional expertise. The two posts are as follows:

A '**Head of Finance,**' with S151 duties, to manage finance and audit functions, revenues and benefits (prior to implementation of the shared service), procurement, property management and ICT.

A '**Head of Legal and Support Services**' with Monitoring Officer duties, to manage Legal and Democratic Services, Elections, Human Resources, Communications, and other central support services.

4.3 Service Performance and Transformation

As indicated earlier, under the current structure, corporate performance and service transformation (and a number of other services) are managed by a Head of Service Transformation reporting directly to the Chief Executive. It has already been proposed in this report, for entirely practical reasons, that the corporate performance role be managed by the Head of Housing and Customer Services. Other duties of the Head of Service such as Revenues and Benefits and Procurement are also recommended for transfer elsewhere. With regard to service transformation, which is the 'core' role of this post, this is clearly a 'time restricted' activity designed to deliver results over the next 2 to 3 years, and a programme of reviews has been developed accordingly. The generally held view during consultation is that this activity should not become a permanent feature of the senior management structure, and nor should it any longer be performed at Head

of Service level. As members may be aware, the Council has recently established a new programme entitled 'Facing the Financial Challenge' that is attempting to coordinate its approach to meeting future funding challenges. This incorporates the value for money aspects of the transformation programme, and is currently led through a 'seconded' arrangement. This has changed fundamentally the future role of the service transformation team, which must be reflected in any new structure.

As indicated above, under the proposals in this report, most of the line management responsibilities added to the Head of Service Transformation's duties over recent months will be transferred elsewhere. It is also proposed that the core responsibility for the further development and delivery of the value for money programme is carried out in future directly by the Heads of Service responsible for the various services involved, rather than by the Head of Transformation. This leaves a lower level coordination role to ensure a consistency of approach, such as that adopted for the 'Facing the Financial Challenge' project. It is therefore suggested that the substantive role of Head of Service Transformation post responsible for the development of the transformation process be removed from the establishment.

4.4 Feedback from Consultation

There has been a positive response to the consultation process with a joint response from UNISON/GMB (there has been no response from UCATT nor T&G/UNITE). Six heads of Service, 12 Service Managers, and 31 staff.

A full response to the UNISON and GMB comments is set out in Appendix 2.

A summary of the responses are set out below:

- Financial Challenge - there is recognition that there is a significant challenge ahead for the Council. However the Trades Unions believe the target may well be less than 30% over a three year period. In response, the challenge will be significant which may be over three or four years, regardless it needs to be met and it is better to address the issue earlier rather than later.
- Chief Executive and one Director – there was no objections to this reduction
- There was positive support to the new arrangements of CLT
- The review of service managers will ideally be undertaken with the new CLT in place during November to January
- It is agreed that a management development programme will be created for the new CLT and Service Manager team
- There was a view that the reduction in capacity at Heads of service level is too great at this time. This issue has been discussed at length and the financial challenge to the Council played a major influence in forming the view that it is better to reduce this level and retain the capacity at Service Manager level
- There have been a number of suggestions on the "titles" of the Heads of Service which has resulted in the Head of Landlord and Customer Services post being changed to Head of Housing and Customer Services. The remaining suggestions will not be adopted as the service groupings have not been significantly changed plus the aim is to make the title of the senior managers more understandable to the general public.
- Full consideration has been given to the feedback regarding the location of certain corporate services and the result is set out in appendix 2

- A number of respondents have expressed some concern at the proposal to split the previous Environmental Health function and the potential knock-on impact on the resilience of the function. This point is recognised and as a result it is no longer proposed to split the function. Therefore it is proposed that Private Sector Housing would not report to the Head of Planning and Engagement, but instead report to the Head of Community Services along with the other Environmental Health functions. In addition, it is recognised that by reducing the number of Heads of Service to 5 may lead to a need to consider the extent to which very significant reductions can also be made at Service Manager level and below. It is recognised that there may be a need in some areas to retain some senior expertise and capacity in order to ensure services can be delivered to an appropriate level. This will be a matter for the later Service Manager reviews but it is important at this point to recognise this as an issue.
- In addition, some concern has been expressed about the creation of a single enforcement team within Community Services. The creation of a single team will again provide for greater resilience across a wide range of enforcement issues. There are examples elsewhere of where such a team can work well. It is envisaged that the team will be a problem solving, first point of contact team who will be able to resolve the large majority of complaints. It is recognised however that there will be a need to retain some professional expertise and again this will need to be reflected in subsequent reviews.
- A number of respondents have commented on whether under the proposed structure it would be more appropriate to designate a Head of Service as Chief Planning Officer. Again, it is recognised that in order for the proposals to work effectively, the service would need to be delivered differently. Whilst the current Director does become involved in a number of day to day issues, this has been in part due to the current structure allowing for this to happen. Under the proposed structure, it will be necessary for the Head of Planning and Engagement be further developed to manage more of the day to day issues. This will require support from the Service Director and also support from the Service Managers within the service but the proposal that the Service Director remains the designated Chief Planning Officer for the organisation remains a sound one.
- The consultation report also highlighted the intention to reconsider the existing Employment Stability policy, in particular to review the current redundancy scheme. It remains the intention that this should be reviewed at Cabinet in November. However, the Council recognises that there are potentially a number of employment Terms and Conditions which may be appropriate to review, which may in turn contribute to the financial challenge. Therefore discussions are currently taking place with Trades Unions to consider whether an agreement can be reached on a number of employment terms and conditions. It is accepted that these discussions will be concluded by early October and will therefore be the subject of a future report to Cabinet.
- There will be greater clarity that the new CLT will be actively committed to area working as set out in the new job descriptions.
- There were also issues relating to clarity of forthcoming reviews as set out in the consultation process. For clarity it is intended to conduct a review on the following to achieve cash savings:
 1. Performance function – to create a single performance team reflecting the reduced requirements of the Council from external inspection regimes

2. Administration – to assess the level and skill set required within the Council to create equality, a consistent approach in how administration is provided, and resilience across the Council
3. Community engagement – following the same principles as set out above of a corporate approach with consistency, effectiveness and efficiency paramount.

4.5 Summary

Based on the report above, a senior management structure is set out in Appendix 1. The division of duties between Heads of Service is indicative at this stage, and does not reflect service groupings at Service Manager Level. It is intended that the next stage of the review that relates to Service Managers, scheduled to begin on 1 November, will seek comments on appropriate service groupings, and will also be informed by any individual service reviews that are currently ongoing. It should also be noted that all of the posts in the senior management structure will need to be included within the Emergency Planning rota and this will be formalised within revised job descriptions.

If the proposed structure is agreed, it is anticipated that the current Environment Director will be slotted into the revised role of Services Director and Deputy Chief Executive. Similarly, the current Heads of Housing, Legal and Democratic Services and Head of Place Shaping will slot into the roles of Head of Housing and Customer Services, Head of Legal and Support Services and Head of Planning and Engagement respectively, as these roles contain substantially the functional responsibilities of their existing posts. If approved these changes to post holders job titles will result in necessary amendments to the constitution.

5. POTENTIAL COSTS/SAVINGS

5.1 As indicated above, the total cost of the current senior management structure is £1.06m. The total cost of the revised structure is £0.59m., which gives a gross annual saving of £0.47m. It is important however to take account of the following in determining the net saving that will accrue to the General Fund of the Council

- A proportion of the net saving, estimated at approximately 17%, will accrue to other funds, rather than directly to the General Fund
- It is assumed that posts within the new structure will be filled at existing salaries. However:
 - If it is not possible to attract suitable candidates for any externally advertised posts, for example the Head of Finance, then members may need to consider applying an appropriate market supplement to rectify the position. This will be the subject of a further report should such an eventuality arise.
 - The salary of the post of Head of Community Services will need to be re-evaluated to determine its position within the current grading structure.
 - It is not anticipated that the current salary levels of the remaining Heads of Service post will change.
- The Council will incur a one-off termination cost to reduce staff numbers to the required level. This cost will depend on the appointment process, but could exceed £100K, based on the current redundancy scheme. Prior to implementing the proposals in this report, members therefore need to examine whether the

current redundancy scheme remains affordable given the funding restrictions that face the Council over the coming years. A report on the options available to the Council will be submitted to Cabinet in due course. It is important to note, however, that there is no dedicated reserve budget for termination costs, so any costs in this area may potentially have an impact on service delivery costings.

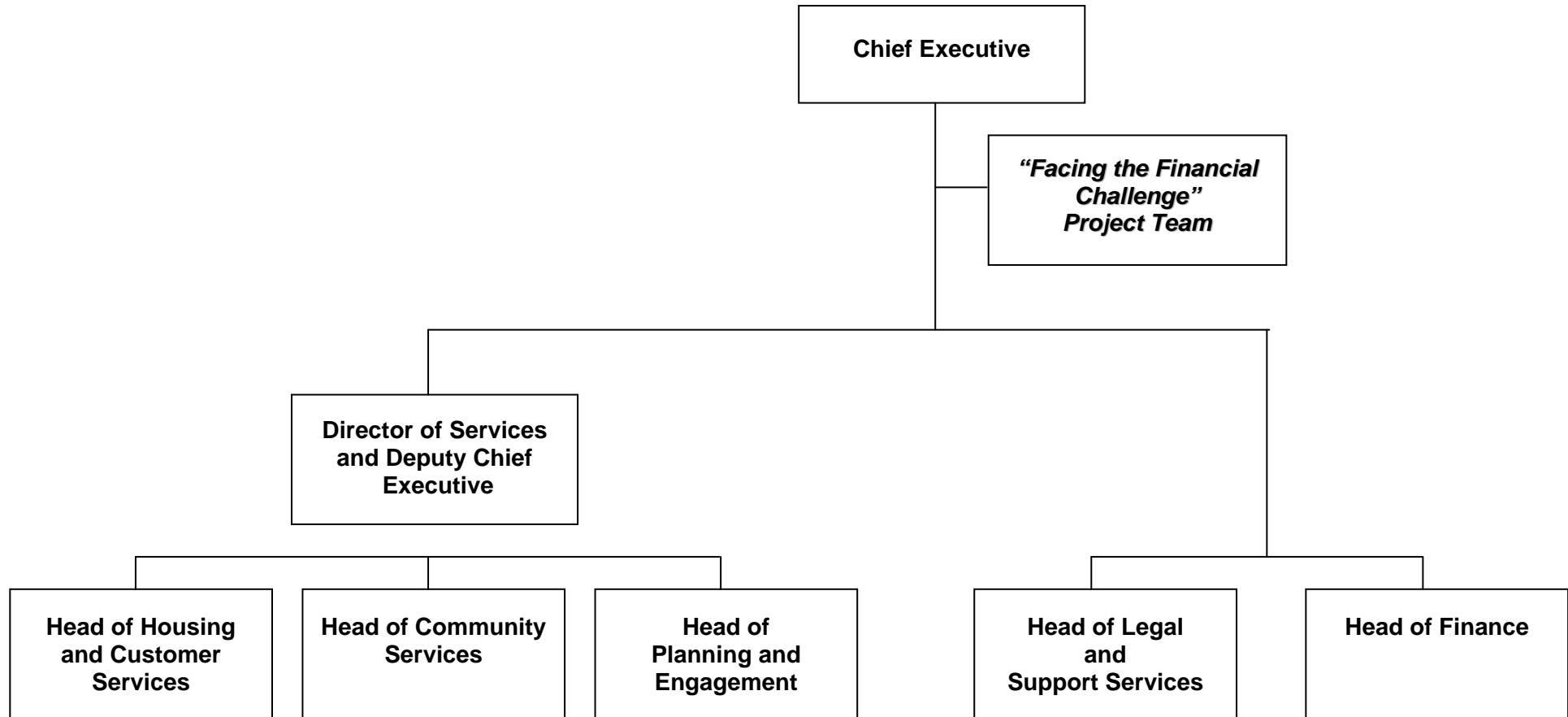
- 5.2** Taking account of the above, the net annual saving to the general fund of these proposals is approximately £0.39m, before deducting any one-off termination payments and potential salary increases.

6. TIMESCALES

Members are requested to consider the following outline timetable

- Decision by Council on Senior Management Structure – 28 September 2010
- Review of redundancy scheme by Cabinet – November 2010
- Appointments Committee – considers recruitment to process for vacant posts – October 2010.
- Redundancy notices issued – early January 2011.
- Implementation of Senior Management Structure – January 2011 – March 2011
- Initiate review of Service Manager Structure – From November to January 2011

APPENDIX 1 – PROPOSED MANAGEMENT STRUCTURE



Head of Housing and Customer Services	Head of Community Services	Head of Planning and Engagement	Head of Legal and Support Services	Head of Finance
Services	Services	Services	Services	Services
<ul style="list-style-type: none"> • Housing Maintenance • Housing Management • Older Persons Service • Corporate Customer Services • Corporate Performance 	<ul style="list-style-type: none"> • Street Cleansing • Refuse Collection, recycling & Trade Waste • Waste Strategy • Public Conveniences • Fleet Management • Car Parking • Cemeteries • Grounds Maintenance • Enforcement Environmental Health and Commercial Services • Licensing • Private Sector Housing • Environmental Protection • Pest Control • Leisure Centre Management • Sports Development • Children and Young people • Cultural Services 	<ul style="list-style-type: none"> • Development Control • Building Control • Urban Design • Spatial Planning • Town Centre Management • Community Planning and Sustainability • Community Development and engagement • Voluntary and Community Sector liaison • Area Working • Equalities • Community Safety • Strategic Housing 	<ul style="list-style-type: none"> • Communications • Legal • Democratic Services • Elections • FOI • Human Resources (including Civil Contingencies and Health and Safety) 	<ul style="list-style-type: none"> • Finance • Audit • Revenues and Benefits • Procurement • ICT • Property



North West
Leicestershire D.C.

10th September 2010

RESPONSE TO “FACING THE FINANCIAL CHALLENGE”, “VALUE FOR MONEY”, “SERVICE TRANSFORMATION” – A REVIEW OF THE SENIOR MANAGEMENT STRUCTURE.

Firstly the normal consultation period is three weeks and therefore we would have expected to have either been given this report on the 20th August or had until the 13th September to respond. This is an important issue when union representatives are so pressed for time.

The report on the management restructure was e-mailed to UNISON on the 23rd August 2010, with comments due back on 10 September 2010. This is a period of 14 working days – shortened by 1 working day as a result of the Bank Holiday. It is relevant to mention that an informal period of consultation on revised management restructuring proposals had taken place with Heads of Service during the August period.

This report was discussed at a joint meeting of the Trade Unions representing staff at the Council on the 3rd September. At that meeting union members expressed considerable concern at the contents of this report and we have received comments that will be incorporated in this response.

We hope that elected members will be receiving a corrected version of the report, which does not give the impression that the efficiency programme has achieved a saving of £4.5m since 2007. If not, they may want to know why we are not aiming for a saving of £9m by 2014.

There was an unfortunate typo in the consultation draft of the report which had the impact of over-estimating the efficiencies that have been achieved so far. This was corrected early on in the consultation process and has been amended in the report to Council.

Indeed it is our belief that the savings required will not be as great as 30%. As usual the management of this council cannot wait to cut more and more quickly than their neighbours. We are told every year how lean we already are. When do we stop being lean and become dysfunctional, and when do efficiencies become inefficiencies?

The management restructure is programmed to achieve a gross annual saving of £0.47m. The financial challenge facing the Council has been estimated to be £1m per year for each of the next three years, and management is seeking to minimise the impact on front line services. The trade unions have previously criticised the number of senior managers in the organisation. Each Council has assessed its position in relation to their financial resources and also the impact of reduced government grants. Thereby it is very difficult to make direct comparisons.

Service Transformation has transformed itself into the Facing the Financial Challenge Team and it seems that we will be dispensing with a semi-permanent Head of Service and replacing her with a consultant. We would be interested to see the savings achieved by this. This same Head of Service is in the middle of a complex shared service project – Revenues and Benefits. We feel that the staff, involved in this project, are not being well served by this decision.

More information is needed about this comment. We do not have any semi-permanent Heads of Service, they are all in permanent job roles. Consultancy support has been engaged where there is a need for specialist support, not to supplement existing job roles.

Arrangements will be made to provide relevant support to the Revenues and Benefits project and other work streams that may be affected by the senior management review.

We appear to be taking decisions in isolation from the rest of the County. Has any consideration been given to sharing key management posts? Have we tried hard enough to do this? It seems likely that other councils will be looking to share more and more services to achieve the savings required by the after effects of the banking crisis. We would not like North West Leicestershire District Council to be at a disadvantage should such discussions take place at a later date. A reduced capacity and failing services would certainly ensure that.

Over the past 14 months approaches have been made to share management posts and recently further formal approaches have been made to all Leicestershire Districts and neighbour District Councils. Whilst there is in principle agreement, there are no commitments to progress, this situation will continue to be monitored closely.

We already appear to be struggling,” relying on short term sharing arrangements” and” filling gaps with external contractors” at a cost to the Council. It is to be regretted that the Council has recently lost such talented, key individuals as Alan Davies and Lynn Gill. Dave Halstead, with his years of loyal service, will also be missed. Their departure has undoubtedly saved the Council a considerable sum of money.

There have been departures from the Council structure which reflect the individuals personal circumstances & choice. Short term arrangements have been put in place to provide the necessary support to the organisation while the management restructuring proposals are in progress. The consultancy support has been funded from the salary savings released by the vacant senior management posts.

We draw your attention to paragraph 4 on page 3 of the report – “the council relies heavily on a relatively small number of high quality senior staff who display considerable loyalty to the council, and who will be difficult to replace” – “the council will need to value and support these officers”. We would suggest that this refers to all of the staff at the council who, as we never tire of informing

management, work extremely hard and put in long hours, many of them unpaid. This loyalty is being sorely tested by current proposals, namely the announcement of management's intention to reduce the benefits payable under the redundancy scheme and the proposal to potentially remove the P.R.P. scheme are all having further detrimental effects on the morale of the staff. It is just not acceptable to lure people into working in Coalville with the promise of decent pay and benefits, only to snatch them away at the council's convenience. This is not acceptable to our members and we would have to seriously consider what a suitable reaction would be.

Discussions are taking place with the trade unions to try to identify possible areas of additional savings from terms and conditions of service. Wherever possible, lawful, and relevant the Council will be seeking the agreement of the trade unions to changes that minimise potential job losses (Please see page 11, paragraph 4.4 of the main report).

We feel that with the reduction in Heads of Service there will inevitably be an increase in responsibilities for Service Managers which may result in Job Evaluation appeals. What consideration has been given to this possibility?

Consideration will be clearly given to workloads. If a Service manager considers that the roles and responsibilities of the job have changed substantially then they can request a re-evaluation of the job role. Any proposals for the Service Manager level will be fully considered and costed accordingly.

Looking at the three services, as described by the report, it seems that the role of Head of Community Services is huge in comparison to the other HoS roles. This Head of Service will be undertaking the work of three Heads of Service. Are we to believe that the current Heads of Service are so under-employed? If they are, then why haven't they gone before? If they have been fully employed then won't their removal leave the council in a vulnerable position? Will this person have to review all of the 3 large areas in their service? It seems unrealistic to expect this of one person. It also seems unlikely that there will be any further savings from a reduction in Service Managers in these departments.

The report addresses the concerns around the reduction in the management capacity in section 4.1

One alternative suggestion is that an additional Head of Service should be created and the work of Community Services and Planning and Engagement be split into 3 HoS so that services can be developed to be fit to respond to current demands and future agendas. In the future the Heads of Service could be reduced further if services are shared or outsourced.

What consideration is given to ensuring the council is meeting the obligations placed upon it nationally rather than locally? Some work is governed by national priorities and the structure needs to ensure that these demands can be met or the consequences would be serious.

National and Local factors have been considered when drafting the proposed revised management structure.

No services appear to be being stopped. The core business of the council must continue to be delivered to an acceptable standard or above. New, fashionable projects have come and gone over

the past few years and more control should be exercised over the creation of new projects. Is Coalville still changing for instance?

All services will be subject to the value for money programme, which will include consideration of whether services will continue to be funded. Priority will be given to key and statutory services that deliver on the Council's objectives. The Council's priorities are currently being refreshed.

In the report the Director's role is described as strategic with little involvement in day to day issues. Later in the report it states that he will also be Chief Planning Officer. This means that there will be no change from the current situation where the remaining Director spends a considerable amount of time dealing with planning matters. What would happen if the current director leaves? Could we not appoint a Chief Planning Officer now to meet the ever increasing demands in this area?

Recent history and developments have required a high level of Planning input for the Director of Environmental Services. To appoint a specialist Chief Planning Officer would lead to more, not less cost, so this is not part of the proposal. This position may need to be reviewed if the current Director was to leave.

The move of performance and customer services into Housing has a direct implication on staff which has been overlooked by the report. Is the current level of performance and customer service better in Housing than in the rest of the council? Is the plan, as before, to create an all singing, all dancing customer services with a requirement for increased knowledge and responsibilities placed on the staff in Housing and Corporate customer services? Has the author of the report considered the cost of this move and the time needed to properly train the staff involved?

The proposals are for one team to be responsible for all elements of Performance across the Council, and one team to be responsible for all elements of corporate customer services. At present these work areas are fragmented across the Council. There will be training implications, but bringing together these areas of work will also produce efficiency savings.

There is also some confusion over where people will end up. Does enforcement include all enforcement functions or just some of them? Some enforcement is done by planning, environmental health, street scene, waste management and housing. Are they all to be moved into one service? For example, private sector housing is an enforcement function within environmental health yet it is being transferred to planning. Planning enforcement think they will be moved to communities. This needs to be cleared up.

Please see page 10 paragraph 4.4 of the main report

Looking at the Head of Service job description it appears to be largely generic. It also appears that all Head of Service jobs have changed, however some have been slotted-in whilst the others must compete for the remaining one job. This is not equitable and it would be fairer to put all Heads of Service at risk, although the reason for slotting-in the current Head of Legal & Democratic Services is understood.

The arrangements for the slotting in of some of the Heads of Service have been carefully considered, taking into account the level of similarity to their current job roles. It would be unreasonable to expect a Head of Service to compete for a job role that is substantially similar to their current role

with a Head of service who is currently placed in a job role that is disappearing under the proposals, and would place the Council in a potentially-difficult situation legally.

Finally, whilst we are aware of the need to make savings in the costs of management, we would not want our members to be left unsupported by the lack of experienced and well-qualified managers which are needed to provide a lead in an ever-changing environment for local government.

Management is acutely aware of the need to provide strong effective leadership and support to the Council's workforce as we face the significant demands on our services at a time of financial constraint. These management proposals have been designed to make the Council fit-for-purpose in the new financial climate.