Meeting:	Cabinet
Date:	6th April 2006
Subject:	Scrutiny Review of MMR
Responsible Officer:	Paul Najsarek
Contact Officer:	Paul Najsarek
Portfolio Holder:	Councillor Marie-Louise Nolan
Key Decision:	No
Status:	Part 1

Section 1: Summary

Introduction

This report accompanies the Scrutiny Review of the Middle management Review. It considers the findings and recommendations of the Scrutiny Review and sets out:

a) Actions which are already being taken which respond to the reviews recommendations

b) Actions which are planned

c) Areas where the findings and recommendations are not accepted

Decision Required

Cabinet to:

a) Acknowledge the impact that the MMR process has had on middle managers in the Council. Thank these managers for their continued commitment and professionalism during the review
b) Note the action already being taken which responds to recommendations made by the Review
c) Note the further actions suggested in the report

Reason for report

Referral for Overview and Scrutiny Committee

Benefits

- Demonstrate the learning from the MMR process has been taken on Board
- To receive feedback for middle managers on the review and ensure that appropriate action is being taken where necessary

Cost of Proposals

Within current budgets

Risks

- The Scrutiny Review identifies risks to be managed in future change management projects

Implications if recommendations rejected

- Missed opportunities for learning
- Staff feedback is not acted upon

Section 2: Report

2.1   Brief History

a)   Overall Comments

The Scrutiny Review of the Middle Management Review (MMR) has been a valuable piece of work for the Council. It is crucial in

any major change to seek feedback from staff affected and to learn from the process. The Scrutiny review has provided an opportunity for staff feedback and has been an important source of learning.

In response to the views expressed by staff it is important that Cabinet recognise that the Review has been a challenging process for middle managers and to thank them for the continued commitment and professionalism during the review. This recognition is especially important in view of the extended completion time of the project. (see Recommendation 1 in the attached report).

b) <u>Areas Where Work is Already Underway and Planned</u>

i) The framework structure and generic role profiles were designed to deliver effective middle management structures with fair and equitable pay. The Council has been in regular dialogue with Hay to ensure that as the review has progressed, the integrity of the structure has been retained. Most recently, discussions have focussed on the relationship between Service Manager and Senior Professional roles and local protocols have been developed to meet Harrow's need. (Recommendation 2)

ii) The Middle Management Review is complete across most of the Council and will be completed shortly in Urban Living. All remaining posts except those in Public Realm Infrastructure will have been advertised internally shortly. (Recommendation 3)

iii) As part of the middle management review the Council established a programme office. Improvements in project management practices have already been made. Further work to audit practice in major projects and to provide further training for project managers is planned for 2006/7. (Recommendation 4)

iv) The Council has made considerable efforts to embed risk management over the last few years. A strategic risk register has been established and annually updated. Each Directorate has its own risk register. The Council's project management methodology requires risks to be addressed in project start-up. (Recommendation 4)

v) Two-way communication with staff is crucial to effective change management as underlined by the Scrutiny Review. With this in mind the Council has strengthened its communication by:

- Introducing a cascade briefing system
- Carrying out a staff survey

- Introducing regular Managers' Conferences and Seminars
- Planning Leading Change Workshops during 2006/7 for senior managers (including Group managers) (Recommendation 4)

vi)   The approach being taken to the BTP has prioritised issues raised in the Scrutiny Review:

- Bluepints for change have been established for each of the three initial projects
- Good practice is being followed in relation to project management
- A BTP risk register has been established and each project manages its risks actively
- A communications strategy has been agreed and is being implemented
- As was the case in MMR the protocol for managing organisational change is being followed
- Regular consultation with trade unions is taking place and a specific Joint Negotiating Committee has been set up to focus on BTP with all issues raised captured in an issues log
- All three projects are currently on track for timely completion. (Recommendation 4)

vii)   The Council is currently working on recognition agreements with Trade Unions with who have the most significant membership amongst staff.   The recognition agreements will help to formalise the arrangements between the Council and these Unions. (Recommendation 5)

viii) The Council regularly seeks staff views through the staff survey, Trade Union consultation, team meetings and 1:1 supervision. Absence and turnover are performance indicators monitored quarterly through the Strategic Performance Report to Cabinet and Overview and Scrutiny Committee. These issues will continue to be covered in the annual HR report to Overview and Scrutiny and the Portfolio Holders six monthly presentation. (Recommendation 6)

ix)   The Council has established a project to benchmark the value for money of its services and produce improvements where required. This project would provide useful information for any further work the Overview and Scrutiny Committee undertakes on Value for Money. (Recommendation 8)

x)   A system has been introduced to track the use of consultants/interim managers across the council (recommendation 9) and provide detailed management information on:

- Usage
- Projects completed and ongoing
- Annual spend and funding details
- Deliverables (outputs and outcomes)
- Compliance with Contract Procedure Rules
- Project delivery, on time and to budget
- Consultants' performance

xi)   Cabinet has agreed the management information requirements which the BTP will deliver. These requirements will substantially improve the information available to Members in their executive and scrutiny roles. (Recommendation 10)

c)   Recommendations which are not agreed

i)   Recommendation 4 proposes 'assured adherence to agreed protocols'. It is suggested that this part of the recommendation is not accepted by Cabinet.   All participants in MMR at the beginning of the selection process received clear and consistent information as to the nature of the process. A newsletter followed on from detailed face to face briefings, transition support sessions which prepared affected staff for the exercise and detailed packs of information provided to each individual. All affected managers were issued with details of the new streamlined MMR process in April 2005 and detailed information is also set out on the councils intranet – see new MMR selection process and over view of the selection process. The selection process was consistently carried out, information was readily provided and available on the process. Confusion may well have occurred as a result of the move to an abridged process – however, this was in response to feedback received and the outcomes of the earlier Scrutiny Review. Quality Assurance was built into the MMR process through the direct observation of selection activities and review of assessment documentation. The Quality Assurance process was carried out by an external consultant whose findings were reported to the Cabinet and considered by Overview and Scrutiny in their first review of the MMR process.

ii)   Recommendation 7 suggests a budget monitoring process be established for major projects.   All budget variations are required to be reported through a budget monitoring process and reports made regularly to Cabinet and this information is already sent to Councillors. The costs of MMR are properly maintained and procedures are already in place.

iii)   There is no evidence that the MMR process has affected the Councils reputation and recruitment and retention as suggested by Recommendation 6.

Councillors attention is drawn to the following external assessments of the council:-

1   Recent Environment inspection commented on the positive approach to change amongst managers and staff in Urban Living.
2   The Audit Commissions recent end of year report said we were 'performing well' and 'improving well'.
3   In May 05 the Mori Survey showed that the people were more satisfied with the council and our services than previously and peoples experience of contact was positive. This poll happened in the middle of MMR.
4   Most of our PIs are improving – big improvements in planning and benefits over the period of MMR. We are now seeing improvement in social care PIs on the back of strengthened middle management.
5   Councils reputation is improving with Government – eg open budget, performance management and vitality profiles have featured as government good practice examples.
6   IIP Feedback for Chief Executive Directorate.
"People commented on the high levels of support given in relation to the changes especially where, as a result of the competency framework, people needed additional help. People spoke highly of the management support and communication they had experienced and the superb range of learning and development opportunities they have access to.
Areas of particular strength or effective practice
   • Excellent development programmes for both middle and senior managers
   • High levels of support following MMR and role evaluation
   • People felt well supported by managers and are encouraged to identify learning and development needs.
Examples include the MMR programme where individuals have been supported to gain the necessary experience to meet the key competencies as described in the dictionary."

As set out in option (b. viii) relevant monitoring will continue in this area.

2.2   Options considered

All recommendations have been considered.

2.3   Consultation

See attached report methodology

2.4   Financial Implications

This report has no financial implications

2.5   Legal Implications

The report has no legal implications.

2.6   <u>Equalities Impact</u>

As set out above, the MMR process has been managed to ensure equality issues are central to the project.

2.7   <u>Section 17 Crime and Disorder Act 1998 Considerations</u>

Not applicable

Section 3: Supporting Information/Background Documents

Background Documents: None.

Supporting Information:
Appendix 1 – Reference from Overview and Scrutiny Committee held on 27 March 2006

Appendix 2 – Report of the Director of People, Performance and Policy and Report of the Scrutiny Review Group considered by the Overview and Scrutiny Committee meeting held on 27 March 2006 (Part I) - circulated with the Cabinet Supplemental Supporting Documents Pack

Appendix 3 – Report of the Director of People, Performance and Policy and Report of the Scrutiny Review Group considered by the Overview and Scrutiny Committee meeting held on 27 March 2006 (Part II) - circulated with the Cabinet Supplemental Supporting Documents Pack