

Cabinet/Committee:	Employees Consultative Forum
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Subject:	Organisational Review
Responsible Officer:	Paul Najsarek - Director of People, Performance & Policy
Portfolio Holder:	Councillor Paul Osborn – Strategy and Business Support Services
Exempt:	No

SECTION 1 – SUMMARY

This report provides background information and confirms the current position in regard to the Organisational Review.

FOR INFORMATION

SECTION 2 - REPORT

2.1 Background

- 2.1.1 On 14 December 2006, Cabinet received and agreed a report that set out the requirement for the Council to undertake an organisational review.
- 2.1.2 The Organisational Review population includes Chief Officers, Middle Managers (Officers employed into Hay graded roles) and PA's to Chief Officers.

2.1.3 The Organisation Review is required to deliver cost savings of £2.3million full year with £1.3m part year in 2007 – 08.

2.2 Process

2.2.1 Implementation has been and continues to be by means of the Protocol for Managing Organisational Change, revised March 2007, in agreement with the Unions.

2.2.2 The Chief Officer's Employment Panel (COEP) attended Recruitment and Selection training and was briefed on the Assimilation & Job Matching process.

2.2.3 On 15 February 2007, Cabinet agreed the 2nd tier senior management structure set out in the report. Cabinet also agreed to delegate authority to the Leader of the Council to approved the 3rd tier senior management (Chief Officer) structure, which he did on 21 May 2007.

2.2.4 A voluntary redundancy scheme was developed and offered to all relevant staff.

2.2.5 Tier 2 and 3 role profiles were developed and the COEP decided on assimilations for Chief Officers on 8th and 25th May 2007. The relevant Chief Officers were subsequently appointed.

2.2.6 All non Chief Officer tier 3 Officers posts have been included in the Management population for assimilating, job matching, ring fencing or open competition

2.3 Consultation

2.3.1 Consultation began early in 2007 with an announcement by Jill Rothwell, Acting CEO, the Organisational Review would require a reduction in numbers of Chief Officers and Managers.

2.3.2 In line with the Protocol for Managing Organisational Change, a specific forum was set up in order to deal consult, on a regular basis with both Unison and the GMB Union representatives. The first meeting took place on the 8th March 2007

2.3.3 Terms of Reference for the Organisational Review Consultation Group and a Constitution was agreed and signed off by both Unions and Management on the 28th March 2007 and the group has met weekly, except where both sides have deemed it unnecessary to meet.

2.3.4 Chief Officers were consulted on the new structures, the content of the new job descriptions for Tier 2 and 3 posts and the process for appointment to the new Chief Officer posts prior to the COEP meeting to agree assimilations.

- 2.3.5 Managers were consulted on the new management structures and are currently in consultation, at local level on potential assimilation, job matching and assimilation, ring fencing and open competition regarding new roles.
- 2.3.6 PA's to former Directors have been consulted on the new PA to Chief Officer structure and are currently in consultation regarding feedback on the move to a single job description. The group is also working on the GLPC questionnaire in preparation for the evaluation of the new role.

2.4 Financial Implications

- 2.4.1 The Organisational review is required to produce £2.3m full year savings from the salary budget, with £1.3m to be delivered in year.
- 2.4.2 Value for money has been considered in cases of voluntary redundancy and the Corporate Director of Finance has reviewed each case.
- 2.4.3 The total cost of voluntary redundancy approved by both Officer and Member Panels is £1.34m. The funding has been identified to cover the costs to a maximum of £2.4m (subject to the approval of the Secretary of State to capitalise 50% of the costs with the remaining 50% from revenue).
- 2.4.4 The cost savings achieved from the restructuring this year by way of the voluntary redundancy scheme will be £0.53m in year (£1.75m full year). The balance in year will be found through alternative measures.

2.5 Legal Implications

- 2.5.1 There is a legal requirement on the part of the Council to first consider volunteers for redundancy ahead of any compulsory redundancies in the workforce.
- 2.5.2 The voluntary redundancy scheme offered is a non-contractual scheme offered with an inducement of 3 months pay over and above the contractual entitlement with no requirement to work contractual notice.
- 2.5.3 The voluntary redundancy scheme has now closed for Chief Officers and Managers but remains open for the PA group until the single job description has been evaluated, at which time, the scheme will then close.
- 2.5.4 Should there be the need for compulsory redundancies, employees will be expected to work their period of notice and will receive contractual redundancy pay only.

2.6 Equalities Impact

- 2.6.1 A full review of existing staff in terms of age, gender, disability and ethnicity was completed before the process began and full monitoring and assessment has taken place throughout the process so far with key points including, voluntary redundancy application and approval.
- 2.6.2 An equalities impact assessment was carried out and presented to the Corporate Equalities Group, which includes representatives from the Trade Unions and Harrow Council Black Workers and Disability Advice Information and Support Groups.
- 2.6.3 Monitoring information has also been provided to the Portfolio Holder for Community & Equalities and Unison's Equalities Officer.
- 2.6.4 The monitoring process has not identified any areas of adverse impact to date.

2.7 Information and Support to Managers and PA's to Chief Officers

- 2.7.1 Staff within the Organisational Review group has been offered two days of events with seminars and information available from a variety of third parties. Information available included financial planning, educational opportunities, pensions advice and similar.
- 2.7.2 Manager and PA briefings have taken place each month offering progress updates and offering staff the opportunity to present questions.
- 2.7.3 An area on the Intranet has been set up specifically for the Organisational Review and meeting minutes, staff briefings and other relevant information is posted.
- 2.7.4 The Employee Assistance Programme has been advertised and is available to staff at any time.

2.8 Progress to Date

- 2.8.1 Chief Officers have been appointed and been in place since early June 2007
- 2.8.2 Appointments are now being made to the management structures in the new Directorates.
- 2.8.3 Pay scales have been revised and the new pay management and professional scales have been finalised and advertised. The new pay scales are linked to existing pay grades.

- 2.8.4 New role profile/job description templates have been developed to fit with the new Recruitment and Selection Procedure and Managers and Directors will be using the new format.
- 2.8.5 Role profiles for management roles under the Finance Structure have been prepared and are now under consultation with regards to opportunities for assimilation, job matching, ring fencing or open competition. No other Directorates have returned role profiles at this time.
- 2.8.6 Officer and Member Panels have now agreed 21 Voluntary redundancies, which in the main take effect at the end of June. The breakdown by Directorate is as follows:

People First – 10,
Urban Living – 6,
Business Development – 4,
Chief Execs – 1.

SECTION 3 – FURTHER INFORMATION

SECTION 4 - CONTACT DETAILS AND BACKGROUND PAPERS

Contact: Kerrie Cureton-Williams, HR Manager 020 8424 1445

Background Papers:

Cabinet Report – Revenue Budget 2007-08 to 2009-10, 14 December 2006

Cabinet Report – Organisational Review, 15 February 2007

Chief Officer Employment Panel – Appointments to Chief Officer Posts, 8 May 2007

Leader's Decision – Senior Management Structure, 21 May 2007

Chief Officer Employment Panel – Appointments to Chief Officer Posts, 25 May 2007