



Meeting: **Employment Committee**

Date/Time: **Wednesday, 4 February 2015 at 10.00 am**

Location: **Gartree Committee Room, County Hall, Glenfield**

Contact: **Mr. S. Marra (tel: 0116 305 3407)**

Email: **stuart.marra@leics.gov.uk**

Membership

Mr. J. B. Rhodes CC (Chairman)

Mrs. J. Fox CC Mr. R. J. Shepherd CC
Mr. D. Jennings CC Mr. E. D. Snartt CC
Mrs. H. E. Loydall CC Mr. G. Welsh CC

AGENDA

<u>Item</u>	<u>Report by</u>
1. Minutes of the meeting held on 21 October 2014.	(Pages 3 - 6)
2. Question Time.	
3. Questions asked by members under Standing Order 7(3) and 7(5).	
4. To advise of any other items which the Chairman has decided to take as urgent elsewhere on the agenda.	
5. Declarations of interest in respect of items on the agenda.	
6. Any other items which the Chairman has decided to take as urgent.	
7. Pay Award 2014 - 2016.	Director of Corporate Resources (Pages 7 - 10)



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|-----|---|---------------------------------------|-----------------|
| 8. | Report on Sickness Absence. | Director of
Corporate
Resources | (Pages 11 - 14) |
| 9. | Organisational Change Policy and Procedure:
Summary of Action Plans. | Chief Executive | (Pages 15 - 20) |
| 10. | Organisation Design Principles and
Framework. | Director of
Corporate
Resources | (Pages 21 - 32) |
| 11. | Date of Next Meeting. | | |

The next meeting of the Committee is scheduled to be held on Thursday, 5 March at 10.00am.



Minutes of a meeting of the Employment Committee held at County Hall, Glenfield on Tuesday, 21 October 2014.

PRESENT

Mr. J. B. Rhodes CC (in the Chair)

Mrs. J. Fox CC

Mr. R. J. Shepherd CC

Mr. D. Jennings CC

Mr. G. Welsh CC

Mrs. H. E. Loydall CC

16. Minutes.

The minutes of the meeting held on 12 June 2014 were taken as read, confirmed and signed.

17. Question Time.

The Chief Executive reported that no questions had been received under Standing Order 35.

18. Questions asked by members under Standing Order 7(3) and 7(5).

The Chief Executive reported that no questions had been received under Standing Order 7(3) and 7(5).

19. Urgent Items.

There were no urgent items for consideration.

20. Declarations of interest.

The Chairman invited members who wished to do so to declare any interest in respect of items on the agenda for the meeting.

No such declarations were made.

21. People Strategy 2014 - 17.

The Committee considered a report of the Director of Corporate Resources which sought the Committee's approval of the draft People Strategy which covered the period 2014 to 2017. A copy of the report marked 'Agenda Item 7' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) Whilst welcoming the Strategy, members commented that there were significant changes now taking place as a result of, amongst other things, the Transformation Programme. Given this, it would seem appropriate for the Strategy to be reviewed after two years to ensure that it remained relevant;
- (ii) It was suggested that the County Council should aspire to have a more customer focused approach to providing services and be more responsive where issues arose. It was recognised that as a public sector organisation, with a number of statutory

duties and responsibilities to uphold, the County Council would not be able to operate as a commercial organisation. However, the County Council could seek to implement a measured approach, utilising available resources, to adapt to become a more customer focused service delivery organisation;

- (iii) The Strategy focused on the County Council's workforce but was designed to have regard to other services and strategies such as ICT, Customer Services, and the Community Strategy and this would be communicated to all employees;
- (iv) UNISON and other recognised Trade Unions had been consulted on the Strategy and would be kept informed of any future plans and updates in relation to transformation.

RESOLVED:

- a) That the People Strategy 2014 – 17 be approved as an interim document to be further developed in line with the transformation programme and be reconsidered by the Committee at the appropriate juncture;
- b) That the objectives of the Strategy, to be delivered through a detailed action plan, be noted.

22. Pay Award 2014.

The Committee considered a report of the Director of Corporate Resources which provided an update on the 2014 national pay negotiations affecting Leicestershire County Council employees employed under the National Joint Council (NJC) for Local Government Employees. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) The strike action originally planned to take place on 14 October had been withdrawn due to a revised offer from the NJC of 2.2%, effective from 1 January 2015, which was currently being considered by the Trade Unions. No further strikes were currently planned;
- (ii) Financial implications for the County Council of the revised pay offer from 1% to 2.2% were currently being calculated, however, it was expected that the revised pay offer would be affordable due to the proposed offer being planned for implementation over a 15 month period.

RESOLVED:

That the Pay Award 2014 report be noted.

23. Report on Sickness Absence.

The Committee considered a joint report of the Directors of Corporate Resources and Public Health which outlined the further work that had been undertaken on the County Council's approach to management of sickness. A copy of the report marked 'Agenda Item 9' is filed with these minutes.

Arising from discussion the following points were raised:-

- (i) Members welcomed the County Council's proactive approach to addressing sickness levels, noting that sickness performance for June 2014/15 Q1 had shown improvement over previous figures. The Adults and Communities Department had consistently experienced the highest sickness levels and, as explained to the Committee previously, care staff accounted for the large majority of absences within the Adults and Communities Department. This could be attributed to the nature of the role;
- (ii) It was suggested that there might be a correlation between mental health and short term sickness absences and this would be looked at to obtain a better understanding. A mental health first aid training course for managers had been established and this had resulted in improvements in staff wellbeing. The district councils had been advised of the County Council's mental health first aid training course and it was hoped that they would implement similar arrangements. The importance of mental health training and the positive effect that this could have on sickness levels was recognised by the Committee;
- (iii) The County Council had experienced a relatively low level of sickness absence due to flu. Currently, all front line social care and health staff received flu vaccinations. Members suggested that consideration be given to rolling this policy out to all County Council employees;
- (iv) There was a need to identify trends in sickness absence and include details of long term and short term absences to gain a better understanding of sickness levels with a view to reducing them. It was explained that a new sickness reporting system was to be introduced which would allow for sickness levels to be broken down and monitored.

RESOLVED:

- a) That the report on sickness absence be noted;
- b) That the commitment from officers to maintain a focus on managing attendance, ensuring managers at all levels proactively address sickness absence be noted;
- c) That the proposed use of the Public Health England Workplace Wellbeing Charter National Award for England - Self Assessment Standards to identify good practice and gaps in the Council's approach to the health, safety and wellbeing of employees and the actions required to implement these standards, be supported;
- d) That the identification of workplace champions for mental health from across the organisation be supported;
- e) That the County Council be asked to make a public commitment to taking action on employee health and wellbeing by signing up to the Public Health Responsibility Deal and sharing progress on an annual basis with other signatories.

24. Organisational Change Policy: Summary of Action Plans.

The Committee considered a report of the Chief Executive which presented a summary of current Action Plans which contained provision for compulsory redundancy and details of progress in their implementation. A copy of the report marked 'Agenda Item 10' is filed with these minutes.

It was noted that the role of the Employment Committee in looking at Action Plans was to ensure that they complied with the County Council's Employment Policy and Procedure.

RESOLVED:

That the summary of current action plans which contain provision for compulsory redundancy and details of progress in their implementation be noted.

25. Date of Next Meeting.

It was noted that the next meeting of the Committee would be held on Thursday 4 December at 10.00am.

10.00 - 11.10 am
21 October 2014

CHAIRMAN



EMPLOYMENT COMMITTEE – 4 FEBRUARY 2015

PAY AWARD 2014 - 2016

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose

1. The purpose of this report is to note the action taken by the Chief Executive to implement a pay award for all employees on Grades 2 – 17 to cover the nationally negotiated pay award period 2014 – 2016.

Background

2. The County Council implemented a new grade structure in 2002 in conjunction with the Hay Job Evaluation Scheme. At that time it was agreed that the County Council, through the Employment Committee, would decide a level of pay award based on the national pay award for Local Government Employees.
3. The pay award for 2013 for County Council employees followed the national award of 1%. This followed a period of 4 years when no pay award was made. An initial offer of 1% was again made by the national employers for 2014. This was rejected by the trade unions who successfully balloted for a day of industrial action which took place on 10 July 2014. An improved offer was made by the employers prior to a further day of industrial action scheduled for 14 October 2014 and this offer was subsequently accepted by the trade unions

Key Points

4. The national pay award for 2014 - 2016 comprises 2 elements:-
 - a percentage increase of 2.2% (higher percentages have been agreed for those paid on the lowest pay points) on all pay points effective from 1 January 2015 to 31 March 2016
 - a non-consolidated (i.e. one off) payment to employees who are in post on 1 December 2014 and who are on pay points ranging from the lowest pay point (pay point 3 within the County Council) up to the equivalent of the County Council's pay point 44 at that date.
5. The national pay award also gave notice of the deletion of the current lowest pay point with effect from 1 October 2015, to prevent this pay point falling below the National Minimum Wage (which is increased annually on

this date). This will, in turn, require the County Council to delete its lowest pay point, pay point 3 within Grade 2, by that date. As Grade 2 currently only comprises one pay point, an examination of the lowest pay grades and salary values will be undertaken. Grade 2 contains a number of highly populated jobs, largely occupied by women on a part-time basis. Consideration will need to be given to whether Grade 2 should be retained or absorbed in to Grade 3, together with the impact that any decision could have on the integrity of the job evaluation scheme.

6. It was agreed with the trade unions locally that both elements of the pay award would be included in January 2015 pay.
7. A pay award for the same period 2014 - 2016 has yet to be agreed at national level for Chief Executives and Chief Officers (applied to employees on Grade 18 and above).

Implementation

8. As the Employment Committee was not due to meet for some time, the Chief Executive agreed, following consultation with the Chairman and Spokesmen of the Committee, to exercise his delegated powers in the case of matters of urgency to enable the award to be implemented. This allowed employees to receive the pay increase in January 2015. When action is taken under these powers details have to be reported to the next appropriate meeting of the body concerned.

Background Papers

9. The revised pay scales are attached as Appendix A.

Recommendations

10. That the report be noted.

Officer to Contact:

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Leicestershire County Council Grade Structure

January 2015 – March 2016

Grade	Pay Point	Salary from 1 Jan 2015	Hourly Rate 01/01/15
2	3	£13,503	£6.99
3	4	£13,611	£7.05
	5	£13,719	£7.11
4	6	£13,869	£7.18
	7	£14,094	£7.30
	8	£14,514	£7.52
5	9	£14,943	£7.74
	10	£15,426	£7.99
	11	£15,942	£8.26
6	12	£16,338	£8.46
	13	£16,764	£8.68
	14	£17,193	£8.91
	15	£17,649	£9.14
7	16	£18,135	£9.39
	17	£18,651	£9.66
	18	£19,182	£9.94
	19	£19,743	£10.23
8	20	£20,319	£10.52
	21	£20,913	£10.83
	22	£21,532	£11.15
	23	£22,212	£11.51
9	24	£22,938	£11.88
	25	£23,700	£12.28
	26	£24,507	£12.69
	27	£25,368	£13.14
10	28	£26,319	£13.63
	29	£27,336	£14.16
	30	£28,404	£14.71
	31	£29,562	£15.31
11	32	£30,240	£15.66
	33	£30,981	£16.05
	34	£31,782	£16.46
	35	£32,649	£16.91
12	36	£33,660	£17.43
	37	£34,737	£17.99

	38	£35,883	£18.59
	39	£37,128	£19.23
13	40	£38,349	£19.86
	41	£39,612	£20.52
	42	£40,941	£21.21
	43	£42,366	£21.94
	44	£43,728	£22.65
14	45	£45,180	£23.40
	46	£46,719	£24.20
	47	£48,381	£25.06
	48	£49,950	£25.87
15	49	£51,603	£26.73
	50	£53,331	£27.62
	51	£55,128	£28.55
	52	£57,330	
16	53	£59,667	
	54	£62,166	
	55	£64,935	
	56	£67,815	
17	57	£70,836	
	58	£74,004	
	59	£77,325	
	60	78,114	
18	61	81,462	
	62	84,939	
	63	88,578	
	64	97,704	
19	65	102,204	
	66	107,019	
	67	112,203	
	68	115,764	
20	69	119,499	
	70	123,447	
	71	127,689	
	72	125,523	
21	73	131,298	
	74	137,337	
	75	143,655	
	76	167,985	
22	77	173,949	
	78	180,213	
	79	186,981	



EMPLOYMENT COMMITTEE: 4 FEBRUARY 2015

REPORT ON SICKNESS ABSENCE

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose

1. The purpose of this report is provide an update on the overall Council and departmental performance in relation to sickness absence, both at the end of Q2 (1st July 2014 to 30th September 2014) and two months into Q3, which is the latest data available. The report will identify the actions being undertaken to address current sickness absence levels and provide an update on the implementation of the Workplace Wellbeing Charter to improve workplace health.

Background

2. The Committee received a report on the 21st October 2014, which identified an absence level of 8.76 days per fte at the end of Q1 (1st April to 30th June 2014), above the absence target of 7.5 days per fte. Whilst there had been a decrease in absence levels at the end of Q1, the data was issued with a health warning in terms of its accuracy (pending the implementation of the new reporting tool).
3. The report outlined the trends in sickness absence and the actions taken to date to address absence levels in terms of the role of the manager, the range of communications through Managers Digest to ensure that all absence cases are managed robustly and the need to consistently use the Managing Attendance policy.
4. The Committee also endorsed the introduction of Public Health England Workplace Wellbeing Charter National Award for England - Self Assessment Standards, as an approach to support the wider health and wellbeing of all staff.

Absence data

5. The table below shows the figures (days per fte) from the out turn position for 2013/ to the end of Q2 and two months into Q3 for 2014/15, which is the latest data available. There has been an increase in absence levels per fte at the end of quarter 2 for 2014/15 from the Q1 position, with levels now reducing slightly into October and November for Q3. Although absence levels remain high and above the target of 7.5 days per fte, it is essential to continue with the robust approach to case management and work supporting the slight decrease.

Department	2013/14 Out turn	2014/15 June Q1	2014/15 July	2014/15 August	2014/15 Sept. Q2	2014/15 Oct	2014/15 Nov
Chief Executive's	7.51	6.37	6.58	6.61	6.83	7.04	6.66
E&T	10.06	8.80	9.90	9.94	9.34	9.31	8.54
C&FS	9.84	8.93	10.43	10.21	11.29	10.69	10.01
Corporate Resources	7.11	6.54	7.61	7.10	6.92	7.11	7.36
Adults and Communities	11.16	10.60	11.74	11.33	11.63	11.68	11.09
Public Health	7.11	5.46	7.87	7.96	7.32	7.48	8.19
Total	9.47	8.76	9.93	9.61	9.78	9.72	9.31
EMSS			7.63	6.83	6.13	6.19	6.47
ESPO	8.58	8.34	8.88	9.03	9.56	9.98	10.34
Total			9.78	9.48	9.65	9.62	9.28

6. Reasons for sickness absence have remained consistent since the report to Committee on the 21st October 2014, with viral infections, and stomach, liver and kidney problems remaining the two highest reported reasons for absence.
7. The percentage of Not Known recorded as the reason for sickness absence has slightly increased from the out turn position of 8.90% at the end of 2012/13 to 9.05% in September 2014. Absences recorded under the category of Other have decreased slightly from June 2014.
8. Unfortunately both the June (Q1) and September (Q2) reports show that absences related to figures for stress/depression, mental health and fatigue are now beginning to increase slightly. A number of service reviews and restructures are currently taking place and therefore it remains necessary to monitor this situation going forward. A review of the Mental Health First Aid (MHFA) training is also taking place to ensure this programme supports the wider health and wellbeing agenda.

Actions

9. As agreed by the Employment Committee on 21st October 2014, support for robust case management is taking place with Human Resources (HR) providing additional support to managers addressing both short and long term absences. This work has the dual focus of reducing sickness absence levels and promoting the wider health and wellbeing of staff. During Q2, HR contacted all managers who have had an absent employee and have provided support and guidance to ensure that the Managing Attendance policy and procedure is being applied consistently and robustly.

10. Each month cumulative absence data has been provided to Departmental Management Teams, including an update on any issues and concerns relating to the absence process and any actions which need to be undertaken within each department.
11. Departmental Management Teams also receive on a monthly basis all absences which have hit a trigger within the policy i.e. short term absences (three periods of absence in six months) and long term (absences of 20 days or more) with a commentary outlining any action which has been taken and where absences are not being addressed by managers. This information allows the Departmental Management Team to have discussions with managers in their area to ensure that all absences are managed consistently in line with the policy.
12. HR continue to actively support managers in completing the absence details in Oracle accurately and in a timely manner. Queries arising from monthly reports have evidenced that over reporting has occurred where absences have not been closed down at the point of return. Following correction of the omission, this results in readjustment of reports during the quarter and creates difficulty in managing the reporting on a monthly basis.
13. Referrals to Occupational Health are monitored and supported through HR, with the trends in, and impact of, the referrals being monitored. Whilst referrals are based around the circumstances for the individual member of staff, it has been possible to identify that managers are using Occupational Health appropriately to support an individual to return to work, including returning on therapeutic arrangements. Occupational Health have also supported managers where the appropriate and reasonable decision is that the member of staff is unable to return to work.
14. In addition to this, the programme of HR workshops have been used to remind managers of their responsibility in relation to managing attendance and to address any operational concerns or questions managers may have.
15. In October 2014 the Employment Committee agreed to use the principles of the Workplace Wellbeing Charter National Award for England - Self Assessment Standards which will enable the Council to benchmark against an established and independent set of standards, in order to ensure that the organisation has a range of policies, procedures and activities in place to support the health, safety and wellbeing of employees. As an outcome of this Departmental Management Teams are currently being engaged in this initiative, including the creation of a Workplace Wellbeing Group to implement the Charter, involving a representative from each department.
16. As part of the process of embedding the Charter and wellbeing into an organisation, departmental representatives on the Workplace Wellbeing group will be asked to identify Champions within their departments who will contribute towards supporting both the development of workplace wellbeing programmes and supporting their effective implementation within the County Council.

Recommendations

Employment Committee is requested to:-

- a) Note the contents of this report;
- b) Support the continued focus on managing attendance and proactively addressing sickness absence levels;
- c) Continue to support the use of the Public Health England Workplace Wellbeing Charter National Award for England - Self Assessment Standards to identify good practice and gaps in the Council's approach to the health, safety and wellbeing of employees and actions required to address this;
- d) Support the identification of workplace champions from across the organisation;
- e) Support Leicestershire County Council's public commitment to taking action on employee health and wellbeing by signing up to the Public Health Responsibility Deal and sharing progress on an annual basis alongside other signatories.

Background Papers

Report to Employment Committee on Sickness Absence on 21st October 2014.

Circulation under the Local Issues Alert Procedure

None.

Officers to contact

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Equal Opportunities and Human Rights implications

None



EMPLOYMENT COMMITTEE: 4 FEBRUARY 2015
ORGANISATIONAL CHANGE POLICY AND PROCEDURE
SUMMARY OF ACTION PLANS
REPORT OF THE CHIEF EXECUTIVE

Introduction

1. The purpose of this report is to present a summary of current Action Plans which contain provision for compulsory redundancy and details of progress in their implementation.

Background

2. At its meeting on 11th February 2010 the Committee approved a new Organisational Change Policy and Procedure (replacing the Policy in the Event of Redeployment and Redundancy) together with revised arrangements through which the Committee would exercise its oversight of the implementation of that procedure.
3. In accordance with that decision, summaries of current Action Plans are attached as follows:
 - Appendix A1 – Implementation Completed
 - Appendix A2 – Implementation Underway
4. The arrangements also involve presenting a summary of any outstanding comments/concerns raised by members of the Committee. There are no outstanding comments/concerns on this occasion.
5. Members are asked to indicate where they wish a representative of the Department concerned to be present to answer any questions in any particular case, if they have not already done so.

Equality and Diversity Implications

6. The Organisational Change Policy and Procedure is designed to ensure that changes which impact on employees are implemented in a fair and non-discriminatory manner.

Recommendation

7. That the report be noted.

Officers to Contact

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EMPLOYMENT COMMITTEE –4th February 2015

SUMMARY OF CURRENT ACTION PLANS - IMPLEMENTATION COMPLETED

Action Plan	Date Approved	Outcome
A&C – Communities and Well Being : Deletion of Community Activity Assistant Post	03/07/2014	1 Redundancy
CYPS – Education & Learning : Study Programme	28/08/2014	1 Redundancy

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EMPLOYMENT COMMITTEE – 4th February 2015

SUMMARY OF CURRENT ACTION PLANS - IMPLEMENTATION UNDERWAY

Action Plan	Date Approved	Current Position	Next Steps	Max Compulsory Redundancies
Communities and Wellbeing Phase 1	28/04/2014	Midpoint meeting held.	End of consultation meeting 2 June	8 redundancies
Strategy, Partnership & Communities : Closure of Kegworth Community Centre	08/09/2014	Kegworth Community Centre will close and staff have already been spoken to	Closure expected at the end of January	3 redundancies
Children's Social Care : Family Safeguarding Service, Child Protection Service	12/11/2014	Agreed for launch date on 13 th November 2014		1 redundancy
Corporate Resources – Commissioning construction and Hard FM Team	14/04/2014	Action Plan released in May 2014. Redeployment letters sent.	Formal consultation under way.	2 redundancies
Corporate Resources – People & Transformation Phase 2	08/08/2014	Formal Consultation Period	Mid point meeting 04/08/2014	2 redundancies

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EMPLOYMENT COMMITTEE: 4 FEBRUARY 2015

ORGANISATION DESIGN PRINCIPLES AND FRAMEWORK

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

Purpose

1. The purpose of this report is to seek the Employment Committee's approval for the introduction of a revised policy, together with an associated framework and managers' guidance on a set of organisation design principles.

Background

2. Officers have been considering the effectiveness and applicability of the Council's current organisation design principles, which have been in place since 2006, and have identified the need to bring them up to date. The principles are a set of good practice guidelines, setting out clear direction, but recognising that departments need to have an amount of flexibility.
3. Some examples of the principles, which managers should use when designing services and structures are:
 - Create clear roles and reporting lines
 - Consider the optimum number of direct reports
 - Design structures around business need
 - Consider how to create cost-effective 'flatter' structures
4. Whilst the principles can be applied across the board, there are two immediate key drivers relating to how they can be applied. In the context of needing to radically change how the Council delivers services, it is clear that an appropriate and fit for purpose organisational structure needs to be in place, including senior management structures and roles. Secondly, the challenging agenda that the County Council will continue to face over the next few years points to an increased need for commercialism, and it is proposed that service departments be organised on a commissioning / provider split, with corporate arrangements in place for commissioning support.
5. This signals a fundamental change in the way that services are organised, and the change will impact to varying degrees on a wide range of staff. However, it is important that the County Council continues to move towards a more flexible and agile workforce. Whilst there would normally be responsibilities for commissioning and providing split at Assistant Director level, there is flexibility in the guidance to have this split at Head of Service level, as long as the boundaries and accountabilities are very clear.

Context

6. The draft Commissioning & Procurement Strategy, which has been consulted on widely, and which is now being finalised through political processes (it will be considered by Cabinet on 6th February 2015), sets out the vision and direction for commissioning activity over the next four years, and effectively provides a blueprint for what needs to be done differently. Of the Council's annual budget of c £550m, around 65% (£350m) is spent externally on buying goods and services from third parties, so it is essential that commissioning activity is well organised, and robustly managed and monitored. The implementation of the strategy will also lead to changes around the workforce, will drive cultural change, and also lead to the development of specific skills and knowledge.

Implementation

7. Recognising that the design principles are essentially good practice guidance, a framework has also been produced to assist managers with implementing the principles, and to set out very clearly the direction towards organising departments on a commissioning / provider basis. The framework will act to strengthen this position, and the document provides examples of broad outline structures i.e. the split between strategic commissioning, operational commissioning and provider services (whether the latter is internal or external).
8. Having consulted key stakeholders, the County Council is seeking agreement for the revised principles and framework. It should be noted that change will be effected through individual departmental and/or service reviews, rather than taking a whole Council 'big bang' approach to change.

Supporting work

9. To support the implementation of the principles, a number of associated pieces of work are being carried out. Work has started to create more robust commissioning support arrangements within a commissioning and procurement support unit. The County Council is also undertaking a piece of work relating to job modelling, which will lead to a move towards broader, more generic management job descriptions. It is anticipated that these will comprise three elements:
 - Corporate responsibilities
 - Commissioner or provider responsibilities
 - Service specific responsibilities

Recommendation

10. The Employment Committee is asked to approve the introduction of the revised organisation design principles and supporting framework.

Background papers

None

Circulation under the Local Issues Alert Procedure

None

Officer to Contact

Gordon McFarlane
Assistant Director (Corporate Services & Transformation)
Tel: 0116 305 6123

List of appendices

Appendix A - Organisation Design Principles – framework for developing organisational structures
Appendix B - Management structures and organisation design principles – policy and managers' guidance.

Equal Opportunities implications

At the point of any significant change i.e. where the design principles are being implemented through service reviews, Equality and Human Rights Impact Assessments will have to be undertaken.

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LEICESTERSHIRE COUNTY COUNCIL

ORGANISATIONAL DESIGN PRINCIPLES

FRAMEWORK FOR DEVELOPING ORGANISATIONAL STRUCTURES

This framework has been developed to assist managers in implementing the Council's Organisational Design Principles. When drawing up a new organisational structure or amending an existing one this policy must be followed. This will ensure:

- Structures within departments and across the Council as a whole are able to effectively deliver services to meet customer requirements.
- By adopting a consistent approach to formulating job roles there is strategic alignment to the Council's functional operational model – Commissioner/Provider split.
- The application of improved governance arrangements for the Council's HAY Job Evaluation scheme which will further support meeting the requirements of equal pay legislation.

Overview of Key Service Areas

Each service department will have the following broad outline structure

Strategic Commissioning	Operational Commissioning	Provider Services
<ul style="list-style-type: none"> • Achieving priority outcomes • The development of strategy • Budget accountability • Meeting statutory requirements • Developing partnerships 	<ul style="list-style-type: none"> • Develops service specifications • Makes operational decisions and identifies how individual needs will be met. • Controls expenditure 	<ul style="list-style-type: none"> • Provides a number of front line customer services. • Makes initial / local decisions in relation to how a service may be delivered – at the point of delivery.

Role of Procurement and Commissioning Support

To support the operation and delivery of the above departmental functions, the Council has a Procurement and Commissioning Support Unit which operates, through the business partner model, on the basis of a Centre of Excellence. The Procurement and Commissioning Support Unit will provide departments with:

- A professional lead on commissioning support and commercials.
- Commercial support and challenge across the commissioning cycle with early engagement at service design and commissioning decision phase.
- Work with service area to help identify potential opportunities.
- Support and challenge for market management, including development of SME's, social value etc.

- Support and challenge for provider and contract development and management.
- Undertake on-going contract management for business critical/high value contracts.
- Provide challenge re value for-money.
- Corporate lead on corporate commissioning strategy, setting standards, tools, toolkits, training.

Role of other Support Services

Strategic professional support in the areas of HR, Finance, ICT, Transformation, and Property is also via the business partner model. Departments have an allocated Business Partner for each area and they will attend meetings such as Departmental Management Team. Other Business Support Services will be provided and managed departmentally.

Senior Management Structure

Each Department will be managed by a Departmental Senior Management Team. This will typically consist of the Director and a number of Assistant Director Posts. Usually there will be an Assistant Director Lead for Commissioning and one for Providing and reporting to them will be a number of Head of Service posts which will be responsible for the overall management of the team. However, service departments, dependent on the nature of the services being delivered are able to have Assistant Director posts which are more broad and/or dedicated to leading the provision of a specialist service. In these circumstances, the commissioner/provider split will be at Head of Service level.

Job Profiles

For each level of senior management post – grade 15 and above, there is a set job profile template which has to be used. This includes a number of corporately agreed responsibilities which senior managers are required to do as part of their role.

Assistant Director and Heads of Service Posts – Grade 15 and above

Working to the job profile template the key duties and responsibilities for each of these posts need to be included. These should remain generic. Any changes over time will not necessarily lead to any changes in grading.

Team Manager Posts – Grades 12 to 14

Reporting to Heads of Service will be the post of Team Manager. A job profile template is also attached outlining a set of corporately agreed management responsibilities at these levels. Again these are to be added to in order to meet further service requirements, but must remain generic. As with Assistant Director and Heads of Service posts, any additions will not necessarily impact on the grade.

Remainder of the Management Structure

Both the corporate and best practice design principles should be referred to when designing the remainder of the structure. In addition to this, reference should also be made to information which accompanies the HAY job evaluation scheme. The Council has adopted in the majority of areas a 'Job Family' approach which provides a guide as to the type of work and level of responsibility, which is to be carried out at various grades.

Succession Planning

In a number of areas, the Council has recognised that it is either difficult to recruit, retain or both into certain professions. Therefore to assist with succession planning, career development schemes have been, or can be, put in place. Advice and guidance on developing and implementing these is available from Strategic HR.

Job Evaluation

As a reminder, it is a requirement that all posts within the County Council go through the job evaluation process. A record will be kept of the rationale for the grade together with the date of when the post went through the job evaluation process.

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Leicestershire County Council Senior Management Structures and Organisational Design Principles Policy and Manager's Guidance

Purpose

Leicestershire County Council has adopted a Functional Operating Model, to enable the delivery of cost effective services to the people of Leicestershire. The Council's key aim is to provide services to its community which give a better quality of life by putting the customer first. Therefore organisationally, it needs to be structured in such a way so it can achieve this.

To meet the ever increasing demands of the Medium Term Financial Strategy the Council has to maximise the use of its resources. To assist in achieving this it will be adopting an increasingly commercial approach to both the commissioning and provision of services. Being a commercially minded organisation means having a strong focus on outcomes and costs. It is important that the Council has a consistent and robust approach to contract management can develop excellent supplier/provider relationships and, through effective performance management arrangements, can offer, where possible, a choice in service providers where it is also confident in the quality of services being provided.

To optimise this position, the Council needs to have in place an effective senior management structure and all posts should have clearly defined roles and responsibilities. The reporting structure should be transparent and open with clear lines of accountability. An effective structure will greatly assist in the development of collaborative working relationships across departments, working effectively in partnership with other organisations and being able to move forward on the implementation of specific integration agendas. The overarching requirement is to have a leaner, flexible and skilled workforce who are equipped to work collaboratively across different structures and organisations to deliver our priorities.

As the Council has the responsibility for commissioning as well as providing a number of diverse services there are distinct advantages to be had if departments follow a consistent approach to developing their staffing structures. Longer term, as the Council will need to continuously change in order to meet the requirements of the Medium Term Financial Strategy, there will have to be a degree of flexibility to manage this in order that no disruption is caused to service delivery.

Therefore, the purpose of this guidance is to set out a number of design principles to be used in order to establish consistency in the development of organisational structures both within departments and across the Council as a whole. The principles have been approved by CMT and departments should adopt them when designing or reviewing structures.

It is recognised that some departments at present may not be able to meet all of these requirements, but given the nature of the transformation programme, departments should work to these when reviewing services. If a department wishes to deviate from any of the principles, the respective HR Business Partner should be consulted.

When designing a new structure or looking to revise an existing one it is important that Strategic HR Services are contacted for advice and guidance.

Please Note: All new and revised organisational structures require the approval of both the HR and Finance Business Partner.

Corporate Design Principles

To help guide the development of the future shape of the Council we have developed asset of corporate Design Principles. These are:

- The Council's organisational structure must be able to demonstrably deliver the strategic outcomes of the Council's Corporate Plan. Therefore to deliver cost effective value for money services adopting a commercial approach, structures within service departments will be organised on a commissioner/provider split;
- The number of management tiers between the Chief Executive and the customer should be kept to a minimum as the Council needs to have in place a more cost effective flatter structure. The only exception will be within those areas where, due to legislative requirements, e.g., social work, it needs to have additional hierarchy.
- Key support services will be organised and managed corporately. The Council has implemented a Business Partner Model to provide a strategic link for departments and procurement and commissioning support (support for service design and sourcing and for contract management of business critical/high value contracts) will be provided from a Centre of Excellence.
- The structure must maximise the speed of responsiveness. Bureaucracy and process must be kept to a minimum to support good customer access to services;

- Structures should be designed to be flexible It is important that the organisation is able to deploy its resources quickly and flexibly to meet changing needs. This will require job profiles and contracts of employment to be written to accommodate this. Further advice available from Strategic HR Services.
- Structures and working arrangements need to allow for the continued learning and development of all employees.

Best Practice Design Principles

Best practice design principles include:

- To group similar capabilities together;
- Clear roles and reporting lines;
- Unity of command - an employee should only have one direct line manager at any one time, although they can report to others as part of a matrix structure;
- 'One on One' structures should not be in place. A manager or a supervisor should ideally have more than one direct report
- Design for business need - a job should be designed around activities that need to be performed, not tailored to the qualifications or the experience of any individual;
- Clear interface with customers and providers;
- No single points of failure – it is important that a structure is not created where there are roles which lead to the whole operation failing if one individual is absent;
- Similarity between size and nature of roles at the same grade.
- Span of Control – The ideal span of control, (the number of direct reports to a manager), should be no more than 12 people. However, in certain service areas this may be greater due to the nature of the work. Examples include: Domiciliary Care, Youth Services and Highways Maintenance.

Senior Management Structure

The senior management structure of the Council consists of those posts which are graded 15 and above. Within departments the structure typically should consist of a Director, having (where appropriate) a number of direct reports at

Assistant Director Level. Based on a commissioner and provider split, each area will be managed by a service manager.

Posts at this level have the key responsibility of providing strategic leadership so the organisation can deliver its strategic aims. They take a lead in performance, financial and people management, setting the culture and behaviours expected of the workforce and are accountable for the development and delivery of departmental service and business plans.

Job Evaluation – The Grading of Posts

It is important that the Council adopts an overall consistent approach not only to developing its organisational structure but also to the creation of posts within it. As the Council consists of a number of departments, arrangements need to be put in place to ensure that posts which broadly have similar duties and responsibilities to ones already in existence, but are written in different ways do not lead the job evaluation process to allocate different grades. This could lead to potential equal pay claims managers must be aware of this and follow the advice they receive from the HR Service. If the advice is not followed the matter will be escalated via the HR Business Partner to the Assistant Director for Corporate Services and Transformation for a decision.

Further Advice and Guidance

This Policy should also be read in conjunction with the Council's Policy on Organisational Change. Further advice and guidance is available from Strategic HR Services and HR Business Partners.