

Report for: Staffing and Remuneration Committee
14 December 2015

Item number: 9

Title: Workforce Plan - Tier 3 Review

Report authorised by: Nick Walkley, Chief Executive and Head of Paid Service

Lead Officer: Jacquie McGeachie, Assistant Director Human Resources and SSC, Ext 3172, jacquie.mcgeachie@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key

1. Describe the issue under consideration

- 1.1 The Council faces a series of significant challenges and opportunities over the medium term. Responding to these will require a Council structure that is flexible, has the capacity to develop strategic options and also ensures excellent outcomes and service delivery. Following a review of the Council's Director and Assistant Director structure the Head of Paid Service committed to Corporate Committee in September 2013 that a review of the 'Heads of Service' would be carried out.
- 1.2 The aim of the review was to improve the capability of the organisation by establishing a tier of managers that focuses on tactical development and delivery. These managers will support the Corporate Leadership Group (CLG) in delivering the Corporate Plan and be granted significant delegated authority. They are required to be an identifiable cohort with their own business plans and corporate responsibilities. These managers are responsible for developing detailed proposals and delivery plans that make up individual budgets to achieve the Medium Term Financial Strategy.
- 1.3 The Review is taking place concurrently with the Senior Manager Pay and Grading Review with an aim to reward our senior managers fairly, transparently and consistently.

2. Cabinet Member Introduction

Not applicable for this item.

3. Recommendations

The Staffing and Remuneration Committee is asked to note:

- a) the revised senior management Structure Charts at Appendix A.

4. Detailed Proposals

4.1 Structure Charts

- 4.1.1 Using a generic role profile the Corporate Leadership Group (CLG) created their Head of Service roles, with support from the Human Resource (HR) team. These managers are regarded as the Council's tier 3 as they report to Directors and Assistant Directors at tier 2. There were some new roles but most were broadly similar to existing roles, however the corporate contribution of all tier 3 managers has been enhanced.
- 4.1.2 These roles were evaluated using the Hay Guide Chart methodology. Hay Group job evaluation is used by 24 other London boroughs to evaluate senior manager roles against three dimensions – know how, problem solving and accountability. The detailed outcome of the evaluations can be seen at Appendix A. There has been a reduction in roles reporting to Directors and Assistant Directors to create a smaller number of more significant roles.
- 4.1.3 The levels and associated pay bands applied form part of the Senior Manager Pay and Grading review, which is running alongside the review of the Tier 3 roles. To summarise the roles are as follows:

	Grade	Number	Total
SLT	A2	1	4
	A1	3	
Director / AD	B2	7	22
	B1	15	
Head of Service / Senior Professional III	C3	14	63
	C2	22	
	C1	27	
		Total	89

4.2 Structure Changes

- 4.2.1 The review of the Council's Heads of Service prompted further discussion by the Senior Leadership Team (SLT) regarding the principles to underpin the structural design. Some amendments to existing structures are being considered. The key changes include:
- Arts and Culture to move from AD Customer Services to the AD Commissioning.
 - The Corporate Delivery Unit to move from the Deputy Chief Executive (DCE) to the Chief Operating Officer (COO).

- The Council has commissioned the Business Improvement Team to undertake a review of Performance Management, Informatics, Insight and Intelligence.
- The Violence against women and girls service to be moved from the AD Environmental Services and Community Safety to the Director of Public Health.
- The Energy Teams to be centralised within the AD Regeneration team.

4.3 **Managers in scope**

4.3.1 In reviewing the managers potentially in scope of the review CLG were requested to put forward names of managers whose roles were considered to meet the requirements of the Tier 3 generic role profile. Almost 70 managers were then included in a series of development activities. These managers ranged in grade from PO8 up to SM4.

4.3.2 Of the current Senior Manager population seven managers are currently known to be at risk of redundancy due to changes in their structure. This number may increase / decrease slightly as each Service carries out a detailed consultation with their affected teams. Every restructure will be conducted in line with the Restructure Policy and meaningful consultation will take place with those affected and the Trade Unions.

4.4 **Approaches to Recruitment and Selection**

4.4.1 Assimilations and Ring Fences

Subject to appropriate restructures and consultation it is the intention, where roles are substantially unchanged, to assimilate as many senior managers as possible.

In addition there are a number of proposed posts which are either currently vacant or newly designed. These roles will be considered for Ring Fences and / or be advertised.

4.4.2 Assimilation Development Interviews

All managers assimilated in this exercise will be invited to participate in an assimilation development interview. The assessment provides an opportunity to assess our managers against the Leadership Qualities and Values. The outline for the assessment is:

- Manager Presentation – 8 minutes
- Questions arising from Presentation – 5 minutes
- Q&A Session – 40 minutes
- Reflection time – 5 minutes
- Final summary/questions – 5-7 minutes

Managers will be asked to prepare an 8-minute presentation answering the following question, taking evidence from the development activities undertaken, including the 360 feedback process:

What outcomes has your leadership delivered for our residents? What are your development needs in order to deliver more?

The Q&A session is to focus on the Leadership Qualities, with suggested questions given in an Assessor Guide. It is recommended that the Assessors include the Assistant Director of the Service and at least one member of SLT.

Following the assessment the tier 3 manager will produce, based on feedback a detailed development plan.

4.5 Development Activity

4.5.1 Those managers regarded as 'in scope', see Section 4.3, have undertaken a series of development activities. This included an invitation to three half day workshops to improve knowledge and understanding of the Leadership Qualities. Feedback from these has been excellent and a shortened version of these workshops will be included in the induction of all new senior managers. Managers were also invited to participate in a 360 Feedback exercise the results of which is summarised below.

4.5.2 360 Feedback Exercise

A 360 degree feedback process was designed to help our senior managers compare how they see their leadership capabilities with how others see them. The term 360 degree reflects the fact that the feedback is gathered from all around the individual, from their direct reports, their peers and their own line manager.

By considering how others perceive their strengths and weaknesses and comparing these perceptions with their own, the manager is able to identify areas where they can improve their leadership capability and make plans to achieve their developmental goals

Almost 70 senior managers took part in the 360 feedback exercise. The key finding is that the overall scores for this cohort are strong. However scores given by line managers were marginally less than those provided by the participant, their peers and direct reports.

There are higher scores around Achieving Ambitious Outcomes and Service Excellence. This suggests a leadership group that are driven to achieve against challenging targets and are relentlessly focussed on delivering to customers and residents, taking proactive action when needed. Colleagues and managers are supportive to each other and managers are approachable. There are also high scores around communicating and listening to others, which when combined with high scores round internal collaboration presents a leadership group that builds strong relationships with others and works hard to communicate effectively in order to 'get things done'. On the whole a logical thinking group that are seen to be able to solve complex issues effectively.

To balance the above there were also some emergent risks from the results. Scores around creativity and innovation are lower compared to other areas, suggesting leaders will revert to tried and tested methods as opposed to new ideas. This is despite encouraging their teams to seek improvements and better ways of working. Scores around defining clear vision and inspiring and motivating others are lower compared to other areas, suggesting leaders are less adept at that form of visible leadership. There is seen to be limited consultation around the organisation, likely to be driven by a focus on achievement and results. External networks are not seen as being as strong as those that are internal. The extent to which leaders are able to adapt their style and have strong personal impact is not so strong.

The key findings from this exercise have fed into the proposed assessment exercise as well as being fed into the work of the Leadership and Management Faculty in the Haringey Academy.

4.6 Corporate Management Group (CMG)

4.6.1 The current CMG is made up of a range of grades and roles and is inconsistent in terms of its makeup, with over 120 people being invited to each meeting. The terms of reference for this group are also not clearly known and in need of review.

4.6.2 From the next financial year this group is to be made up of managers in roles that sit within Level C and above and who are direct reports to a CLG or SLT member. This group can have a powerful impact on the Council if they are seen as a cohesive group that works together for the benefit of the achievement of the corporate plan. Proposals around their remit include:

- Create cross service working on a creative / innovative project
- Have consistent corporate objectives, for example:
 - Being allocated a community / Ward link
 - Be tasked with creating an external network
 - Create a vision for Service and share that within team that links back to the Priority Boards / Corporate plan
 - Accountable for budget and workforce plans

4.7 Trade Unions

The Trade Unions have been briefed on the Tier 3 Review, including the ongoing review of Senior Manager Pay and grading. They will be kept informed of proposed changes and outcomes and be consulted by Directors / ADs on any restructures required as a result.

5. Alternative options considered

One option was to put all senior managers in this cohort 'at risk' and designing all brand new roles which these managers would then have to apply for. This was considered too much of a risk in the current demanding climate and

therefore the review has been designed to minimise disruption, whilst also achieving the aims as stated above in Section 1.

6. Background information

- 6.1 As detailed above in Section 1 this review was prompted by the Head of Paid Service review of his Director and Assistant Director structure in 2013. This was introduced after extensive consultation and agreement provided at the time that the next tier down in the organisation would be reviewed to support CLG in achieving their stretching targets.
- 6.2 The Senior Manager Pay and Grading Review has run alongside the review of the Tier 3 roles.
- 6.3 The existing structure does not have a clearly defined Tier 3 structure, with over 110 direct reports to Directors and Assistant Directors. Sixty three Level C roles have proposed and the impact on the organisation in terms of redundancies is minimal.

7. Contribution to strategic outcomes

- 7.1 Creating a stronger tier of senior managers in the Council who report into the Directors and Assistant Directors is key to achieving the Council's Corporate Plan. The development activity already undertaken and which will be planned will support the creation of an agile workforce with the right skills in the right place at the right time.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Assistant Director of Corporate Governance

The staffing restructures envisaged in this report should be conducted in accordance with the Council's Restructure Policy. This will reduce the risk of successful unfair dismissal claims being brought by the Council by employees made redundant as a result of the restructures.

- 8.2 **Chief Finance Officer** has been consulted on this report and has the following comments.

This report needs to be read in conjunction with other reports on this agenda specifically, the proposed senior managers pay and grading report and the proposed changes to senior managers contract report.
The committee is being asked in this report to note the proposed Tier 3 structure with approval to move to implementation, subject to affordability, being proposed in the report on the proposals for senior managers pay and grading.

9. Equality

- 9.1 An employee Equalities Analysis has been undertaken and will be repeated in April 2016 when it is anticipated that the majority of posts at Level C will be filled.
- 9.2 The main finding was that although there is evidence that some equality strands, for example men, and those employees aged between 45 – 54 are more likely affected by the proposals when compared to their comparators, this is due to the profile of those affected by the change. There is no evidence to suggest that any equality groups will be disadvantaged by the proposal as all employees are being treated equally.
- 9.3 The job evaluation process that is required to fulfil the new tier 3 structure will require monitoring to assess whether there is any unintended adverse impact on any equality strand stemming from the changes. HR will continue to monitor the implementation of the proposal and will be liaising with the Trade Unions throughout the entire process.

10. Use of Appendices

Appendix A – Proposed Tier 1-3 Organisation Charts

11. Local Government (Access to Information) Act 1985

No relevant documents required here.

Structure Charts

See PowerPoint Charts – appended as a separate document