

**COMMITTEE:** ADMINISTRATION  
**DATE:** 7<sup>th</sup> NOVEMBER 2007  
**SUBJECT:** ACTIVATING THE RECRUITMENT AND  
RETENTION ALLOWANCE FOR THE 'LEAN'  
ROLES WITHIN THE TRANSFORMATION TEAM  
**REPORT BY:** HEAD OF CUSTOMER ACCESS AND BUSINESS  
TRANSFORMATION

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**IMPLICATIONS:**

LEGAL	COMMUNITY SAFETY
EQUALITIES	ENVIRONMENT
FINANCIAL	CONSULTATIONS
STAFFING	OTHER

**WARDS AFFECTED: ALL**

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**PURPOSE**

1. To seek approval for adding a recruitment and retention allowance onto the salary for the 'Lean' Programme Manager and two Project Managers.

**RECOMMENDATION(S)**

2. **Committee is recommended to authorise the Head of Customer Access and Business Transformation, after consulting the Chair of the Committee, the Head of Human Resources and the Head of Corporate Finance, to apply a non-pensionable recruitment supplement to the post not to exceed £28,000 to the Programme Manager and £10,000 to each Project Manager. These figures would be subject to the final recommendation of the Council's recruitment consultants, Tribal Resourcing.**

## **BACKGROUND**

3. On the 12 September 2007 this Committee agreed to the creation of a Transformation Team made up of 5 new posts on 3 year fixed term contracts (structure chart attached as appendix 1) to facilitate the delivery of the Luton Excellence Programme (Lex) which is recognised as the key corporate priority for the council over the next few years. This followed Executive approval on the 10 September to the creation of the team and the release of £1m from the Invest to Save budget to finance the set up costs of the team up to March 2009. From this point it is envisaged that the team will be self funding.

## **REPORT**

4. In order to deliver Lex projects in the most effective way, in consultation with Members and Senior Officers, the Transformation Team have decided to adopt a methodology based around 'lean' management thinking. This approach is being used with great success in central government departments and is now facilitating dramatic performance improvement within a number of local authorities, focusing the council's effort on what matters to customers and driving out waste from processes.
5. Considerable knowledge, expertise, and effort will be required to embed 'lean' thinking into Lex projects, and the council as a whole. At present the council does not specifically employ any experienced practitioners in current thinking around 'lean' in local government services, and so, in order to achieve the intended outcomes from Lex, the council either needs to employ consultants, or employ an individual with 'lean' experience.
6. As using 'lean' is very popular, rates to employ consultants are very high, and it is a key underlying principle to the setting up of Lex that consultants will be used as little as possible, mainly on targeted, timebound pieces of work so that capacity is built up within the council. It is much cheaper therefore and more in line with Lex Programme Principles, if the council employs staff directly.
7. The pivotal role within the transformation team that is able to influence projects, and the council as a whole, is the Programme Manager. Their role is already to co-ordinate a significant number of cross cutting projects. It is however proposed to that this role also ensures that 'lean' thinking is applied across all projects and embedded in the council as a whole. It is therefore recommended that the Programme Manager role within the Transformation team is filled by a experience 'lean' practitioner with current experience across the full range of tools and thinking. This role has been graded at M7 within the council's normal job evaluation process (job description attached as appendix B). However, advice from the

council's external recruitment consultants, Tribal Resourcing, and some soft market testing has confirmed that this salary will be much too low to attract the calibre of individual needed to deliver the outcomes we are seeking through Lex. It is expected that we will need to pay a salary of up to £80k to recruit the right person. Hard copy evidence is in the process of being gathered to ensure that the Council can prove that this is the market level in order to defend any equal pay claims.

8. It is therefore recommended that a Recruitment and Retention (R&R) allowance is added for this post, subject to final approval by the Chair of the Committee when hard evidence is available.
9. In the same way, the two proposed Project Manager posts will require a combination of Prince 2 and lean skills that Tribal advise make them rare in the market place. Evidence to support this will also be gathered.

### **PROPOSAL/OPTION**

10. Not agreeing the additional allowance will have dramatic effects on the council's ability to deliver Lex. If the Council is to achieve the outcomes it seeks then officers would have to seek other ways of establishing lean thinking in the organisation which would include considering using consultants which would go against one of the fundamental principles of the programme.
11. Agreeing the allowance would be in line with the Council's aspirations to develop in house capacity and the need for this post could be reviewed in 3 years time when the fixed term contract comes to an end.

### **LEGAL IMPLICATIONS**

12. There are no legal implications to this report other than as set out in the body of the report and this has been agreed with Richard Stevens in Legal Services on 25 October 2007.

### **STAFFING IMPLICATIONS**

13. The formation of the team has already been agreed by the committee on the 12 September 2007. This report focuses on adding a Recruitment and Retention allowance to the Programme Manager Post within the Transformation team.
14. If the allowance for the Programme Manager is towards the maximum proposed the post holder will potentially be paid more than their manager. However, it is not proposed that the manager be given any further or additional R&R allowance because the post does not have or need the

same degree of knowledge and experience around lean that the programme manager does.

## **EQUALITY IMPLICATIONS**

15. Where jobs are subject to job evaluation (JE) it is usual for all positions whose JE points score fall into the same points band to be paid the same level otherwise there is a risk that another employee of the opposite gender could bring an equal pay claim under the definition of “work rated the same” regardless of what their actual role is.
16. However, if the employer can demonstrate that there are market factors that make a genuine material factor difference and which are not related to gender, etc. paying a difference can be justified.
17. The evidence that would support this is being gathered and no final decision should be made without the evidence being available.
18. Similarly, there are other project managers with Prince 2 skills sets in the organisation, but it is not proposed to add an allowance to them as they do not also need the same level of understanding of lean.

## **FINANCIAL IMPLICATIONS**

19. The additional costs of providing the Recruitment and Retention allowance would be covered within the existing budget agreed by the Executive on the 10 September 2007.

## **APPENDIX**

Appendix A – Team structure for Transformation Team  
Appendix B – Job description for Programme Manager

## **LIST OF BACKGROUND PAPERS** **LOCAL GOVERNMENT ACT 1972, SECTION 100D**

There are no background papers relating to this report

## Appendix A

### Structure Chart - Core Resources Required to Deliver Service Excellence and Efficiency Programme

The Structure below is for core staff. New posts (all on 3 year fixed term contracts) are shown in bold.

It is assumed that other staff will also work on the programme for distinct periods of time to support particular projects. The Chart also assumes that in addition to new posts shown below, the equivalent of 2 fte Business Process Reengineering Specialists employed within HR will also be applied to the programme.

