

Consultation Paper on IHS Restructuring

1. Introduction

Council agreed actions to be taken concerning the future of the Institute of Health Sciences (IHS) on 5 February 2007. Its decision was informed by recommendations arising from a detailed review of the IHS and aimed to set the trajectory towards fulfilling the following objectives:

- a) To create an Institute that is a sustainable academic enterprise adding to the prestige, strategy and overall economic health of the University.
- b) To provide resolution to the financial deficit.
- c) To create a staffing profile that is flexible for the future.

The Council paper outlined three phases for the review. The first Phase, 1a), was to restructure the Institute into a single entity and a consultation paper was issued in February which outlined proposed top level structures for the new Institute. Consultation on this phase ended in April and a further paper was issued in early May which set out decisions taken for phase 1a). These decisions included amendments to the original proposals made in the light of feedback received from staff and Trade Unions. The conclusions drawn at the end of phase 1a) are currently being implemented.

This is the second consultation paper arising from the actions agreed by Council and relates to phases 1b) and 1c) of the review.

2. Purpose of this paper

The purpose of this paper is to put forward proposals for consultation on:

- The restructuring of academic staffing requirements in the new School; and
- A new senior management structure for non-academic staff.

A review of non-academic structures below senior management level and a further academic review, if appropriate, will be carried out at a later date in line with the original Council agreement.

This paper should be read in conjunction with the Managing Change Guidelines and Redundancy package details, both of which are available at: http://www.city.ac.uk/ihs/staff_information.html. The site also contains pensions guidance and a form for expressions of interest in voluntary redundancy.

(i) Academic staffing levels

This is a formal consultation paper on reductions in staffing levels arising from the business and financial needs of the School. This process is being managed under a 'Managing Change' policy, upon which the Trade Unions have been consulted, and which is in line with legal requirements and good Human Resources practice.

The aims of the proposals, and the basis on which decisions have been made about staffing levels, are to:

- a) Reduce the overall deficit of the Institute and work towards a break-even position in the medium-term;
- b) Contribute to the continued financial viability of the School in line with Council's objectives;
- c) Realign staffing levels on a phased basis in line with the business needs of the Institute and contract income, based on realistic student numbers and income and expenditure forecasts;
- d) Ensure that any changes are in line with the strategic development of the Institute;
- e) Improve the overall academic quality of the Institute's programmes by preferencing areas of work linked to degree-level qualifications.

The first stage of achieving these objectives is a proposal for reductions in academic staffing levels as follows:

- a) A reconfiguration of teaching provision across the School to ensure that expenditure more closely tracks income in line with external contractual changes.
- b) A reconfiguration of teaching provision in all areas of the School related to reduction in NHS income.
- c) Refining research activities and maintaining those that contribute to the strategic direction of the Institute, contribute to the other activities of the Institute, and are financially viable.
- d) Undertaking specific areas of restructuring due to reassessment of workload and roles in those areas.

(ii) The introduction of a new Senior Management Structure for non-academic staff

This paper opens formal consultation on the creation of a new Senior Management structure across the new School. The proposals involve the disestablishment of some existing posts, which will put some staff at risk, and the creation of a number of new posts. The proposed new structure is summarised in a diagram - see **Appendix A**.

3. The need for change

Academic Staffing Requirements

The need for change was outlined in detail in the original consultation paper issued to staff in February. The first stage of this process was to bring together the two Schools of Nursing and Midwifery and Allied Health into a new School of Community and Health Sciences to ensure strong and strategic leadership, clear lines of accountability, strengthened management structures, improved governance arrangements and streamlined and efficient operational structures and business processes.

One of the key issues at this stage for the School, and for the University, is to ensure that the School has a solid financial base to enable a sustainable future in which it can thrive.

The School is forecasting a deficit of £2m in the current year, after taking into account savings identified during the year of £2.1m. The savings achieved relate to non-pay

(£1m), space costs (£0.5m), and staff vacancies (£0.6m). If no further action is taken, the medium-term financial outlook is expected to deteriorate to a projected deficit of about £7.5m by 2008/9.

The key drivers behind this position relate to further reductions in NHS income through a combination of lower prices per student being imposed and a reduction in student numbers. In cash terms NHS income is forecast to fall by £3m over 3 years. However, the financial environment of the NHS remains uncertain, which continues to make the forecast of this income difficult and subject to change. Other factors in the financial position include, in the non-NHS funded areas of activity, expenditure exceeding income in many cases and this position needs to be reviewed. The research activity of the School is also operating in deficit, which is currently unsustainable. Finally, there is the impact of additional costs such as the implementation of the framework agreement where pay-costs have increased substantially above current inflation levels.

Cost control measures were immediately introduced when the financial position became clear. These measures have enabled the School to make savings estimated at £1.6m in the current year. The main measures introduced include a headcount freeze including non-contract staffing and a review of all non-pay budgets, the aim being to block all non-essential expenditure.

The next phase to ensure financial stability is to look at staffing costs in relation to teaching and research staff. A review of the profitability of all programmes and modules within the School has been undertaken so that decisions about their financial viability can be made. This will assist in halting the deficit growth and will represent the first steps in putting the Institute on a sound financial footing. Further savings will need to be made over the next two academic years to ensure break-even to allow sustainable growth into the future.

The detailed reasons for change are highlighted below.

a) External contractual changes and matching expenditure to income

(i) Post-graduate contract reduction in Nursing and Midwifery

The current post-graduate contract in Nursing and Midwifery has been reduced by £1.2m per annum in cash terms from April 2007. It is therefore proposed that numbers of academic staff in Nursing and Midwifery be reduced proportionate to the known and expected reductions in contract numbers.

This cut in income does not relate to specific posts within Nursing and Midwifery as many staff teach on the postgraduate modules, but will require an overall reduction in teaching staff to reflect the reduced income. It is proposed that the work will be redistributed amongst the remaining teaching staff to enable cover of all of the relevant modules. To facilitate restructuring of the workload, the outcomes of the review of the financial viability of programmes will be used to ensure cost-effective use of resources whilst maintaining high quality teaching provision (e.g. combining smaller or duplicated modules).

(ii) Matching expenditure to income

In non-NHS funded areas of the School, as with NHS funded areas, there is also an underlying problem of income not sustaining the current staffing levels in some areas

and these are therefore being subsidised by other parts of the School. To ensure the longer-term viability of the School, this will be reviewed when the new Associate Deans and HoDs are in place to ensure that appropriate staffing levels and support structures are established in line with income and the delivery of high quality teaching, learning and research. This is likely to result in decisions to stop some areas of activity or to merge some activities to save costs.

b) Clawback changes in contracts

The new contractual arrangement provides that Trusts/SHAs will claw back funds where the School fails to recruit to their contracted numbers and/or where students fail to complete their studies – for example, where they drop out of their course. We estimate that the clawback will reduce budgeted NHS income by c. £1.5m in 2007/8. This affects all NHS-funded areas of the School.

The School is also working to improve student recruitment, marketing and programme offerings with the aim of increasing student numbers and reducing the impact of the clawback provision.

c) Research

Analysis has highlighted that the research activity across the Institute operates in deficit, and in the School of Nursing and Midwifery, this is estimated at c. £1.3m per annum. It is not uncommon in the HE sector for research activity to operate in deficit, but this is normally coupled with profitable teaching activity enabling some degree of cross-subsidy to occur, legitimated because the research results are fed into the teaching. However, in the current environment the size of these deficits in the school are such that they are financially unsustainable.

The importance of research to the School cannot be underestimated and the University is committed to supporting research activity. However, whilst it is accepted that there will need to be a level of continuing cross-subsidy, the current position is not sustainable for the future as there is insufficient income on the teaching side to subsidise to current levels.

Senior Management structure for non-academic staff

The 'old' IHS has undergone considerable change and the new School of Community and Health Sciences (SCHS) will likewise be faced with ongoing challenges. The School needs to be proactive in its approach to these and also able to react to internal and external pressures quickly and effectively. In order to achieve this we need to focus on our academic services and governance, broader business and resource issues and the considerable interdependence of these.

The two 'old' schools have distinct management structures with separate and largely independent support services, each with experienced and committed staff but with little shared practice or governance across the Institute. In recent months, efforts have been made to combine functions across the whole Institute, with marketing and financial management being key examples. An integrated Board of Studies and quality support function have also been created, and a number of subsidiary activities are also being supported at the new School level.

A review of the support and business-related activity indicates the need for further change and development in these areas. Without effective administrative, financial and

business-related support, the risks to the SCHS are high in respect of our academic quality and financial viability. Academic support, governance services and business and resource management are all critical to our success.

The marketing, sales, recruitment and admissions policies and practices need to be integrated with each other and across the SCHS; we need a strong, multi-skilled administrative team; and we need strong and integrated management information including financial, recruitment and student information. In addition our student services, including library and broader information services as well as our current and future estate needs, are considerable.

Some of these functions are business-critical in terms of ensuring a School-wide approach to key areas of activity and the level of risk involved if arrangements are not put in place immediately to support them. In general terms, the teams below the non-academic senior management structure described in this report will be developed when the senior post-holders are in place. However, for the reasons described above, a small number of exceptions have been made to this approach to allow for the creation of five posts in business-critical areas. These are described in Section 4b) below.

4. Proposed Changes

a) Academic and academic research posts

It is proposed that there will need to be up to a maximum of 60 academic and academic research posts dis-established across the Institute. This will be achieved through:

- The dis-establishment of vacant posts where it has been agreed that they will not be required;
- Voluntary redundancy;
- Redeployment opportunities;
- Compulsory redundancy.

The process for selecting posts for redundancy is as follows:

- Requests for voluntary redundancy will be considered first and will be agreed at management discretion subject to the business needs of the School;
- Selection for compulsory redundancy will be on the basis of:
 - Skills, experience and competences
 - Breadth and depth of knowledge across academic subject areas within the School, including research expertise and scholarly activity
 - Contribution to the RAE, where appropriate to the individual's role
 - For research posts, funding assured for a fixed period or evidence that it is possible to generate income to sustain the post
 - Contribution to teaching and research supervision
 - Strategic contribution to the Institute
 - Performance
 - Disciplinary record
 - Intermittent sickness record;
- Staff will be pooled in the areas affected at the appropriate levels and according to role if possible/appropriate;

- Due to the numbers involved, this process will be carried out by senior academic staff assisted by HR on the basis of a paper assessment followed up by interview as necessary;
- It is recognised that compulsory redundancies of academic staff will be carried out in accordance with ordinance.

b) *New Senior Management structure for non-academic staff*

Please note that the new nomenclature is used in the sections below to avoid confusion, so that the post previously known as the Director of the Institute is now referred to as that of Dean of the School, and references to the School mean the new entire entity.

It is proposed that a new top-level structure for the support services of the new School be introduced. This proposal is intended to complement and support the new academic structure announced at the conclusion of phase 1a) of the review of the old Institute.

The proposed new top level structure for the support services includes several new roles identified as critical for early implementation. It is intended that the details of the staffing structure beneath these top level appointments will be worked through as soon as possible once these individuals are in place. It is anticipated that this would be from September onwards.

A separate exercise to review support services across the University has been carried out at the same time as the review of the new School of Community and Health Sciences – the Business Efficiency Review (BER). Staff from the School have made significant contributions to that review and the Dean and senior executives have received briefings on the likely recommendations arising from it. The BER is expected to submit its recommendations to the University Executive Committee shortly and it is anticipated that any recommendations affecting the School's internal structures (which would result from a University-wide change in the balance of central/School services) will require some time for debate at that level. The School needs to take actions to restructure as soon as is sensibly possible and so the proposals contained within this paper deliver a structure for the services required, but acknowledge possible changes in reporting lines pending the outcome of ExCo's consideration of the BER recommendations.

The rationale for change is set out at the beginning of this paper in section 3 and, with this in mind, it is proposed that the following new roles be created:

- A new **Director of Marketing and Student Recruitment** to work closely with the Dean – directly reporting to either the Dean or the University Head of Marketing and Recruitment (to be determined following the conclusions of the University's Business Efficiency Review). This post is intended to carry full responsibility for all issues relating to marketing and student recruitment and to work closely with the Admissions and Induction Team to maximise success in the recruitment and retention of high quality students. The School will consider the skills and competences necessary to lead on these areas in conjunction with the University's central marketing function.
- A new **Director of Academic, Business and Resource Services** to report directly to the Dean and to take overall responsibility for:

- A Business Support Service which will have responsibility for Management Information and Finance, Contracting and placing orders. The Head of this Unit will be a qualified accountant.
 - An Academic Support Service, which will have responsibility for programme support, placements and allocations, programme information systems, research support, governance, academic standards and quality assurance, enhancement of teaching, learning and research activity, assessment, admissions and student induction.
 - A Technical and Clinical Support Service, which will have responsibility for all non-teaching/research roles that facilitate clinics, laboratories, classroom set-up and other support functions. It is anticipated that the manager for this service will be appointed from within the existing team.
 - Facilities Management Service, covering all estates and related matters – location of this service will be either within the School or within the central Property and Facilities Department, to be determined with the conclusions of the University's Business Efficiency Review.
 - Library Information Services, covering all issues relating to the library, desktop services and media resources – reporting to the central University Library Information Services, with a service level agreement.
 - A Dean's Office which will contain the Dean's Executive Assistant, project management resources and the PA support for the Associate Deans. It is also proposed that this Office has responsibility for managing all other PA's and secretaries across the School. It is proposed that a manager for the Office be appointed from the team.
 - Each of these new Services/Offices will have its own head reporting to the Director of Business and Resource Services.
- All of the Heads of Department/Unit described above will also have a link to the appropriate central University departments, where they exist, to ensure corporate consistency, professional standards and the efficient delivery of services.
 - Two new roles of **Programmes Manager for Undergraduate/pre-registration** and **Programmes Manager for Postgraduate/post-registration**, are proposed. It is intended that these posts report directly to the Head of Academic Support Services, but that the post holders should work very closely with the new Associate Deans for Pre-Registration and Undergraduate Programmes and Post-Registration and Postgraduate programmes, which whom they will have professional (but not managerial) reporting lines.

In addition, the following posts are considered to be business-critical for the reasons outlined in Section 3 above.

- A new role of **Manager for Special Projects** is proposed. It is intended that this role will form part of the Dean's Office and the post-holder will have a key role in supporting change projects and managing project liaison and administration.
- A new role of **Placements and Allocations Manager** is proposed. It is intended that this post will report to the Head of the Academic Support Service and will have responsibility for the management of placements and allocations across the School.

- A new role of **Programme Information Systems Manager** is proposed. It is intended that this post will report to the Head of the Academic Support Service and will have responsibility for the management of new and existing programme information systems across the School (including SITS, PRISM etc).
- A new role of **Research Support Manager** is proposed. It is intended that this post will report to the Head of the Academic Support Service and will have responsibility for the management of research support across the School, working closely with the Associate Dean for Research.
- A new role of **Academic Standards, Quality Assurance and Enhancement Manager** is proposed. It is intended that this post will report to the Head of Academic and Support Services and will have responsibility for the maintenance of academic standards, quality assurance and enhancement across the School, working closely with the Associate Dean for Learning, Teaching and the Student Experience.

The above proposals will require the disestablishment of a number of existing posts, where the post-holders will be put at risk. The process for managing the change is covered in the Managing Change guidelines.

c) Voluntary redundancies in other areas

There will be a further consultation paper on the non-academic structures below senior management level as soon as this is practically possible. This is likely to be in the autumn. However, in order to ensure that the Institute is facilitating savings across all levels, it is also proposed to consider voluntary redundancies for any other employees across the Institute at this stage. These will be assessed on a case by case basis at the discretion of management to ensure that posts will not be needed either in the new structure or for internal redeployment purpose. It is anticipated that this would be a maximum of 15 posts.

In summary, the posts created and disestablished are outlined below:

Posts created	Posts dis-established	Post-holder at risk?
Director of Academic Business and Resource Services	Chief Operating Officer	Yes
Director of Marketing and Student Recruitment	IHS Head of Marketing	Yes
Programmes Manager for Undergraduate and pre-registration		
Programmes Manager for Postgraduate and post-registration		
Manager for Special Projects		
Manager, Dean's Office		
Head of the Academic Support Service		TBC
Head of the Business Support	IHS Accountant	Yes

Service		
Placements and Allocations Manager		TBC
Programme Information Systems Manager		TBC
Research Support Manager		TBC
Academic Standards, Quality Assurance and Enhancement Manager		TBC
	Up to 60 posts in total across academic and academic research posts	Yes – to be identified and vacancies can be taken into account in some areas
	Up to 15 non-academic posts	By agreed voluntary redundancy only
Total	Up to 78 roles dis-established	

5. Process for managing this restructuring

This restructuring will be managed in accordance with the ‘Managing Change’ guidelines and redundancy arrangements available at http://www.city.ac.uk/ihs/staff_information.html. Both of these documents have been consulted upon with the University’s three Trade Unions and amendments made as a result. The Managing Change guidelines cover the process for consultation, redeployment procedure and details of individual and collective consultation meetings during the consultation period, whilst the redundancy guidance sets out the details of the compulsory and voluntary redundancy packages.

The University aims to avoid compulsory redundancies if possible by inviting volunteers for redundancy.

6. Voluntary Redundancy

Process and application

The following groups of staff within the School may apply for consideration for VR:

- All academic staff in teaching and research who will be selected by the criteria set out above.
- All managerial staff directly affected by the implementation of the new management structure selected with the criteria set out above.
- All other administrative, technical and managerial staff. Given that the new administrative and managerial structures below Head of Department level have not yet been developed, selection for VR for this group of staff will be on the basis of clear agreement that the individual’s substantive post will NOT be

needed in the new structure and could not form suitable alternative employment for any other post-holder in the School.

There will be further opportunities to apply for voluntary redundancy to allow staff to make decisions about their future following decisions taken on the emerging structure for their particular department or area of expertise and activity.

Expressing an interest in Voluntary Redundancy

Expressions of interest in Voluntary Redundancy will be accepted from 18 June to 17 July. Individuals must complete the form which is at http://www.city.ac.uk/ihs/staff_information.html. There is no commitment from the individual or the University to take forward VR at this stage. A meeting will be held with the individual to explain the package available to them based on their terms of employment and to answer questions. The individual will then be asked to confirm if they wish to proceed.

Individuals will need to agree their leaving date with their manager. To qualify for the enhanced notice period, the individual must have signed a Compromise Agreement with the University no later than 14 days after the final offer is made to them in writing by the University. The terms of the compromise agreement are non-negotiable.

Applications for voluntary redundancy, where agreed by the relevant manager, may be actioned during the consultation period.

Selection process

When individuals have confirmed that they wish to be considered for voluntary redundancy, the relevant Head(s) of Department(s), Head(s) of Service, and Associate Dean(s) in consultation with Human Resources will assess the skill mix required for the particular Department, Service or area and select individuals according to the criteria set out earlier in this report.

If insufficient applications for voluntary redundancy have been received in the areas where staff reductions are required, the University will then move to make compulsory redundancies where necessary.

7. Redeployment

Due to the impact of the changes on a number of post-holders as a result of the implementation of the above changes, a recruitment review process will be put in operation across the University for academic, research and SALC4 and above grades.

8. Support for staff at risk

A support package for staff at risk has been developed which includes:

- Access to one-to-one counselling
- Managing Yourself courses
- Assistance with CVs and interviews.

Please contact Human Resources or Occupational Health for further details.

9. Timescale for consultation

The paper is being issued on 15 June and the formal thirty-day consultation begins on 18 June, ending on Tuesday 17 July at 5.00 pm. Any comments should be sent by the closing date to the health consultation email address: health_consultation@city.ac.uk. Alternatively you can feed back via your Head of Department, staff representative or Trade Union representative.

10. Timescale for implementation

The key dates for implementation are set out below:

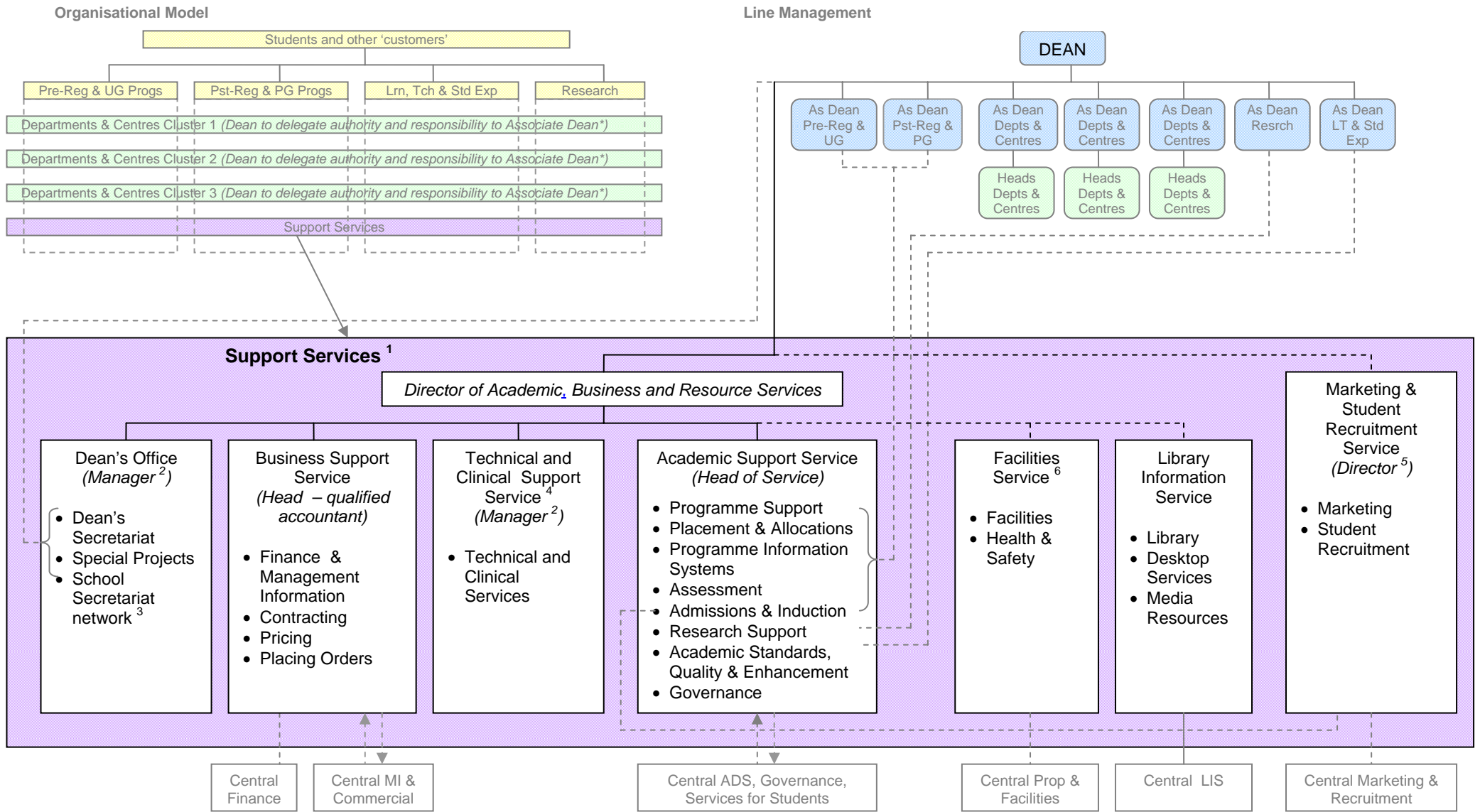
- Individual meetings, Trade Union consultation and staff representative meetings will take place over the next month.
- Following consultation, all responses will be considered and amendments made to the initial proposals as appropriate.
- It is anticipated that the final implementation document will be issued by the end of July.
- Expressions of interest in voluntary redundancy applications are open as of 18 June until 17 July.
- The selection and assessment process for the appointment to new roles will take place in August.
- It is anticipated that decisions will be made about voluntary redundancy for academic/research staff by the end of August, with decisions on individual non-academic posts being made earlier, as requests are made.

Prof Mary Watts

Dean of the School of Community and Health Sciences and Pro-Vice Chancellor

15 June 2007

Appendix A: SCHOOL OF COMMUNITY AND HEALTH SCIENCES – PROPOSAL FOR SUPPORT SERVICES



KEY: — Direct reporting line - - - - - Secondary 'dotted' reporting line ← - - - - - Communication line

NOTES:

- ¹ Top level structure for consultation – the intention being to appoint to key roles following the consultation period and to work with the new appointees on the processes, structures and roles required in each of their areas of responsibility. Location of staff will form part of that second stage of development.
- ² To be one of the role holders within the Office/Service.
- ³ To include all PAs to provide support and development for the individuals and to allow management of cover and consistency of workload for each group of like-roles across the School.
- ⁴ To include all non-teaching/research roles that facilitate Clinics, laboratories, classroom set up and other support functions.
- ⁵ Reporting lines to be determined in line with the University-wide decisions following the recommendations of the Business Efficiency Review (and consultant's report in the case of the Facilities Service).
- ⁶ A review of the Facilities function will follow