

Agenda Item	16(a)
Report No	HC/57/13

Proposed Amendments to Service Management Teams

Report by the Chief Executive

Summary

Further to the amendments to the Service structure agreed by Council on 24th October 2013, this paper presents proposals to realign the Council's Service Management Teams into 5 Directorates.

1. Background

1.1 On 24th October 2013, the Council approved a Service structure of 5 Directorates delivering savings of £350k per annum. Since that time Directors have been consulting with Senior Managers and staff representatives on the deployment and responsibilities of posts at Service Management Team level (ie those posts which are direct reports to the Service Director). This consultation has been very positive and has been an essential part of the process, drawing on the knowledge and experience of many of the Council's best people.

1.2 The Service structure agreed by Council is attached as Appendix 1 to this report. As a result of the feedback from consultation it is now proposed to amend two Directorate titles (as Appendix 1A) to better describe their roles:-

- It is proposed to amend the title of the Directorate previously described as "Director of Children, Education and Adult Services" to "Director of Care and Learning". This amendment to a more modern title has strong staff support.
- It is proposed to amend the title of the Directorate previously described as "Director of Capital and Development" to "Director of Development and Infrastructure". This amendment is designed to avoid any confusion which could potentially arise from the use of the term "Capital" which consultation suggests may not be widely understood.

1.3 In addition it is proposed to re-title the post of Corporate Manager to now be called "Head of Community & Democratic Engagement". This has no impact on grade but is intended to better reflect the responsibilities of the role and an enhanced focus on collaboration with Communities.

1.4 With the appointment of Michelle Morris to the role of Depute Chief Executive this additional role is now added to the post of Director of Corporate Development.

2. Proposed Changes to form 5 Service Management Teams

2.1 The Council paper on 24th October 2013 described the broad responsibilities of the 5 new Directorates and committed to a consultation. The resulting proposals are as follows:-

2.2 The 5 Directorates incorporating the amended titles are as follows:-

- Care and Learning
- Finance
- Corporate Development
- Development and Infrastructure
- Community Services

2.3 As noted in the previous paper the **Care and Learning** Directorate is in essence the logical, next-step integration of the main functions of H&SC and ECS. This focus will be key to capitalising on the opportunities of Integrating Care in the Highlands and our work on Early Years. It should also act as a catalyst to the collaboration agenda within the Council and with partners. In recognition of the scale and challenge of these roles it is proposed to form a Service Management Team of 5 Heads of Service (currently there are 4).

- Head of Childrens Services
- Head of Education Services
- Head of Adult Services
- Head of Resources (Care & Learning)
- Head of Additional Support Services

Appendix 2 describes the key responsibilities of each post.

2.4 As noted in the previous paper the **Finance** Directorate would continue to provide the same range of services, reflecting the critical role it must play in supporting the challenges of financial planning over the next 5 years. It is proposed to form a Service Management Team of 4 Heads of Service (currently there are 5).

- Head of Corporate Finance
- Head of Revenues and Business Support
- Head of Audit and Risk Management
- Head of Procurement

Appendix 3 describes the key responsibilities of each post.

This reduction in the number of Heads of Service will be achieved through the retirement of a Head of Service in September 2014, and will facilitate a reallocation of duties and responsibilities within the Finance Service.

2.5 As noted in the previous paper the **Corporate Development** Directorate's responsibilities include those which are central to the transformation and modernisation agenda, particularly ICT, Human Resources and Performance. It is proposed to form a Service Management Team of 3 Heads of Service and one Senior Manager (as at present).

- Head of Digital Transformation
- Head of People and Performance
- Head of Corporate Governance
- Corporate Improvement Programme Manager

Appendix 4 describes the key responsibilities of each post.

2.6 As noted in the previous paper the need to focus on improving the economy and creating jobs underpins the creation of a new **Development and Infrastructure** Directorate in which all of the resources of the Council which deliver capital developments are aligned with our teams who are supporting economic improvement. This integration and alignment of resources is designed to enable a step change in terms of leverage, influence and results. It is proposed to form a Service Management Team of 5 Heads of Service (no change in number of HoS posts)

- Head of Planning & Building Standards
- Head of Infrastructure
- Head of Environment & Economic Development
- Head of Property
- Head of Property Partnerships

Appendix 5 describes the key responsibilities of each post.

2.7 As noted in the previous paper the **Community Services** Directorate will provide many of the Council's everyday essential services in a more integrated way - one which is more responsive to customer needs. A critical feature of the proposal for this Service Management Team is the direct reporting line between the Director and the key Area Managers. It is proposed to form a Service Management Team of 3 Heads of Service, 4 Area Managers and 1 Senior Manager (no change in number of posts).

- Head of Housing
- Head of Environmental and Regulatory Services
- Head of Roads and Transport
- Area Manager (Integrated Services in Caithness and Sutherland)
- Area Manager (Integrated Services in Skye, Ross and Cromarty)
- Area Manager (Integrated Services in Inverness)
- Area Manager (Integrated Services in Nairn, Badenoch & Strathspey and Lochaber)
- Performance and Building Maintenance Manager

Appendix 6 describes the key responsibilities of each post.

It should be noted that the creation of this Directorate in particular will involve significant change both in terms of structure and culture. There will be organisational challenges to be addressed by leadership and training – this will require time, focus and specialist support.

3. Service Teams

3.1 There will of course need to be further decisions on alignment and deployment of posts below Service Management Team level. Any amendments to posts arising from these decisions will be for Directors to take to Committee for approval in the normal way. It is important to reassure elected Members that this process will not involve additional salary costs and that it will follow the Council policy of avoiding compulsory redundancies wherever possible. It will involve consultation with staff affected and their Trade Union representatives.

4. Phasing and Timetable

4.1 As noted in the previous paper it will be necessary to implement these changes in 2 phases.

4.2 The **first phase** is the creation of 2 new Services :-

- Development & Infrastructure
- Community Services.

and the refocusing of the 2 existing Services:-

- Finance
- Corporate Development

Work has started on this already and, if agreed by Council, full implementation can proceed in January at a pace which signals intent while minimising disruption and limiting the risk of any temporary impact on performance. The aim would be to

achieve full implementation of this phase by 31st March 2014. For the new Directorates in particular, a development and training programme is being developed for key staff which will involve driving forward the key changes of focus and culture. It is intended that elected Members and potentially Community Councils will be invited to become involved in the development of the customer focus which will be central to the success of the Community Services Directorate.

4.3 The **second phase** would see the formation of the Care and Learning Service. This already has a momentum but the scope and risks associated with the changes are such that this will take longer to deliver. The existing Directors of these Services agree that it would be appropriate to plan for full implementation no later than 30th September 2014. The current Directors will work together as a team during this time with one of the current Directors becoming Director Designate of Care and Learning in April 2014.

4.4 In both phases it will be important to proceed at a pace which delivers early benefits while reflecting the sensitivities and consultation agendas associated with such significant change. Budget changes would be largely in place for the start of the next financial year 2014/15.

5. Appointments to Service Management Team posts

5.1 The aim of the appointments process will be to minimise disruption to services and to avoid un-necessary change. To that end, where posts have not changed or the change is not material then post-holders will simply continue in their roles within the new structures. In line with Council policy, where jobs have changed significantly these will be subject to grading review to ensure transparency, equality and the integrity of the grading structure. When filling these posts Directors will seek to find best-fit solutions which are flexible enough to benefit from both the objectives of the reorganisation and the skills/experience of the staff affected. It is possible that some limited competition for posts will be required and this would follow Council policy and procedures.

6. Cost

6.1 As noted in the previous paper the package of proposals and some consequential changes at lower level are designed to be cost neutral in the current year and to deliver recurring savings of £350k per annum from 2014/15. The Council's policy is to avoid compulsory redundancies wherever possible and this should be achievable here but the process of adjustment is likely to involve one-off costs arising from voluntary severance and redeployment.

6.2 It is important to recognise that the Council has already significantly reduced its management costs in recent years. In April 2007 a review of the Council's management structure led to a reduction of over 20 posts, producing an annual saving of over £1.5m. The review in December 2010 delivered further reductions of 22 posts and an annual saving of £1.4m. Previous reports have noted the practical impact of the loss of management capacity and highlighted the associated risks. Members are again asked to note these.

7. Implications

7.1 Resources

The package of proposals will deliver savings of £350k per annum, principally from the reduction to 5 Director posts.

7.2 Risks

The overall reduction in management capacity will have practical implications which can be mitigated by a clearer and more focused structure. There are short term performance risks associated with the change process which can be mitigated by leadership and training.

7.3 Legal, Climate Change, Equalities

There are no legal, climate change/carbon clever or equalities implications associated with the proposals contained in this report

8. Recommendations

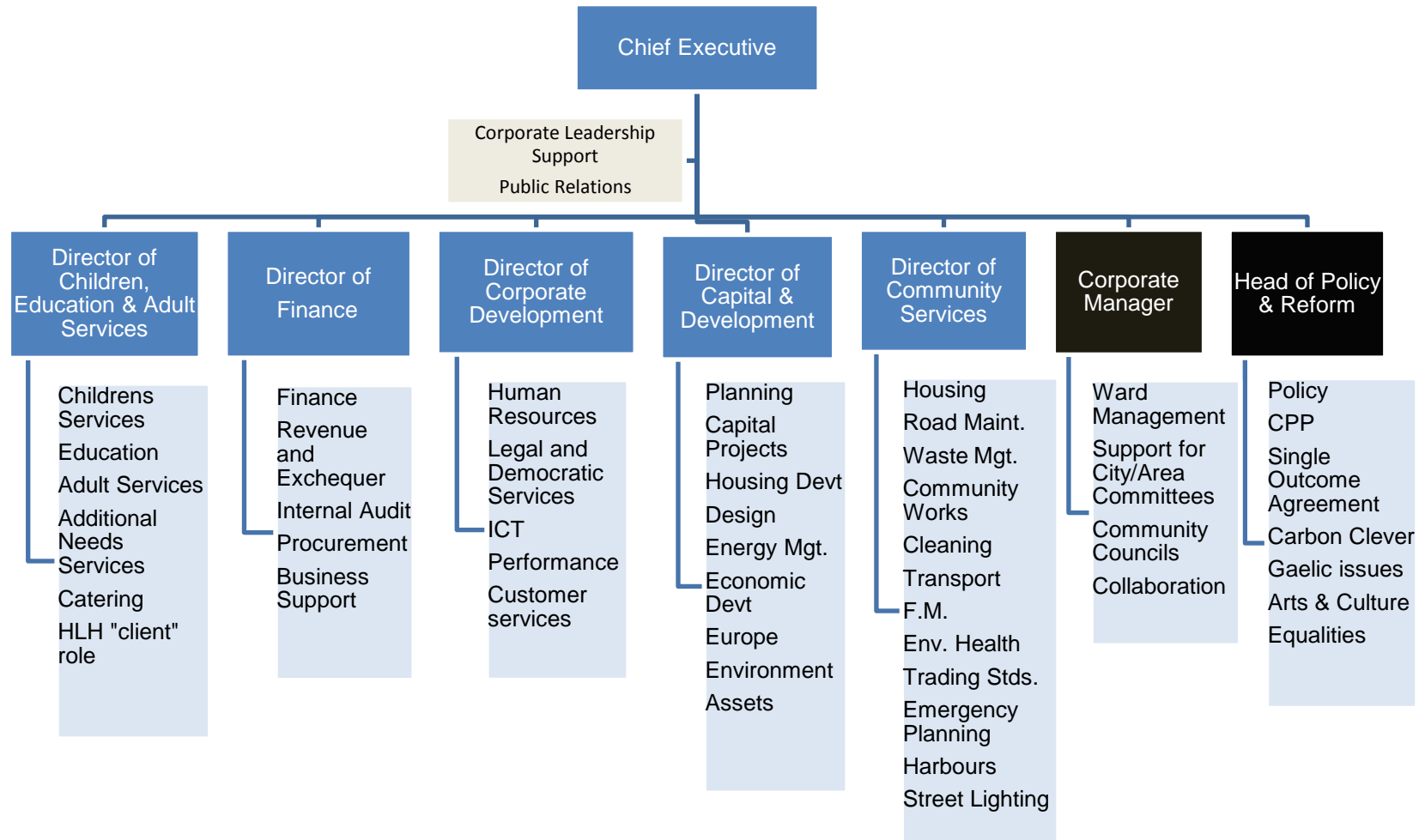
The Council is asked to agree

- i. The amendments to the titles of 2 Directorates and 1 post as described in paras 1.2 and 1.3.
- ii. The amendments to the Service Management Teams as described in paras 2.3 to 2.7 and shown in Appendices 2,3,4,5 and 6, and that these be implemented in 2 phases by no later than 30th September 2014.

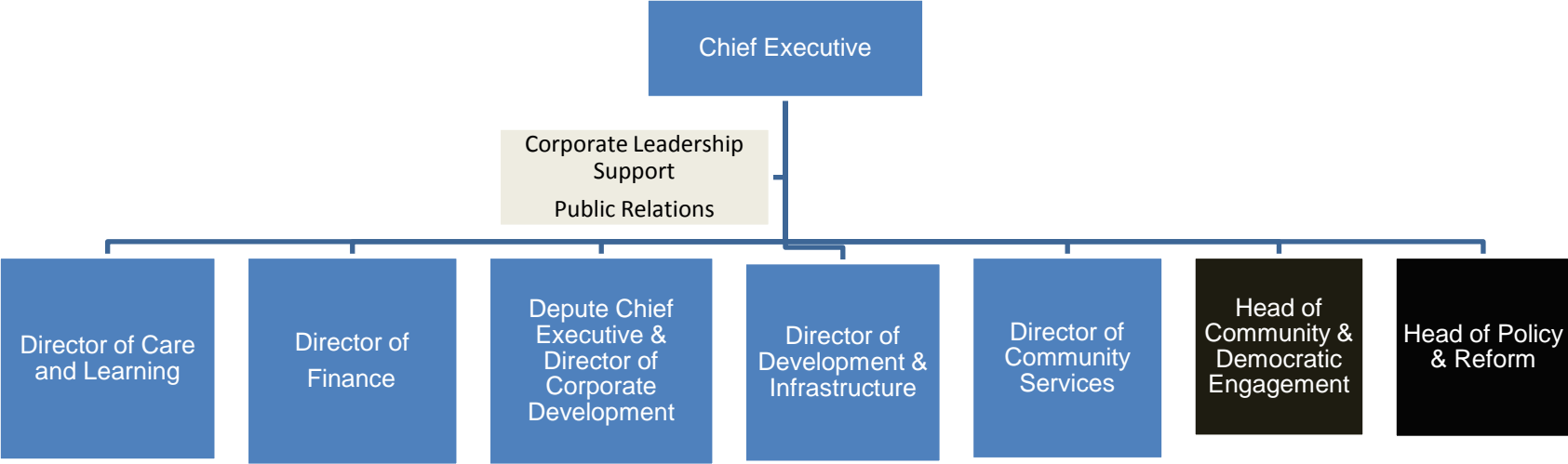
Designation: Chief Executive

Date: 10th December 2013

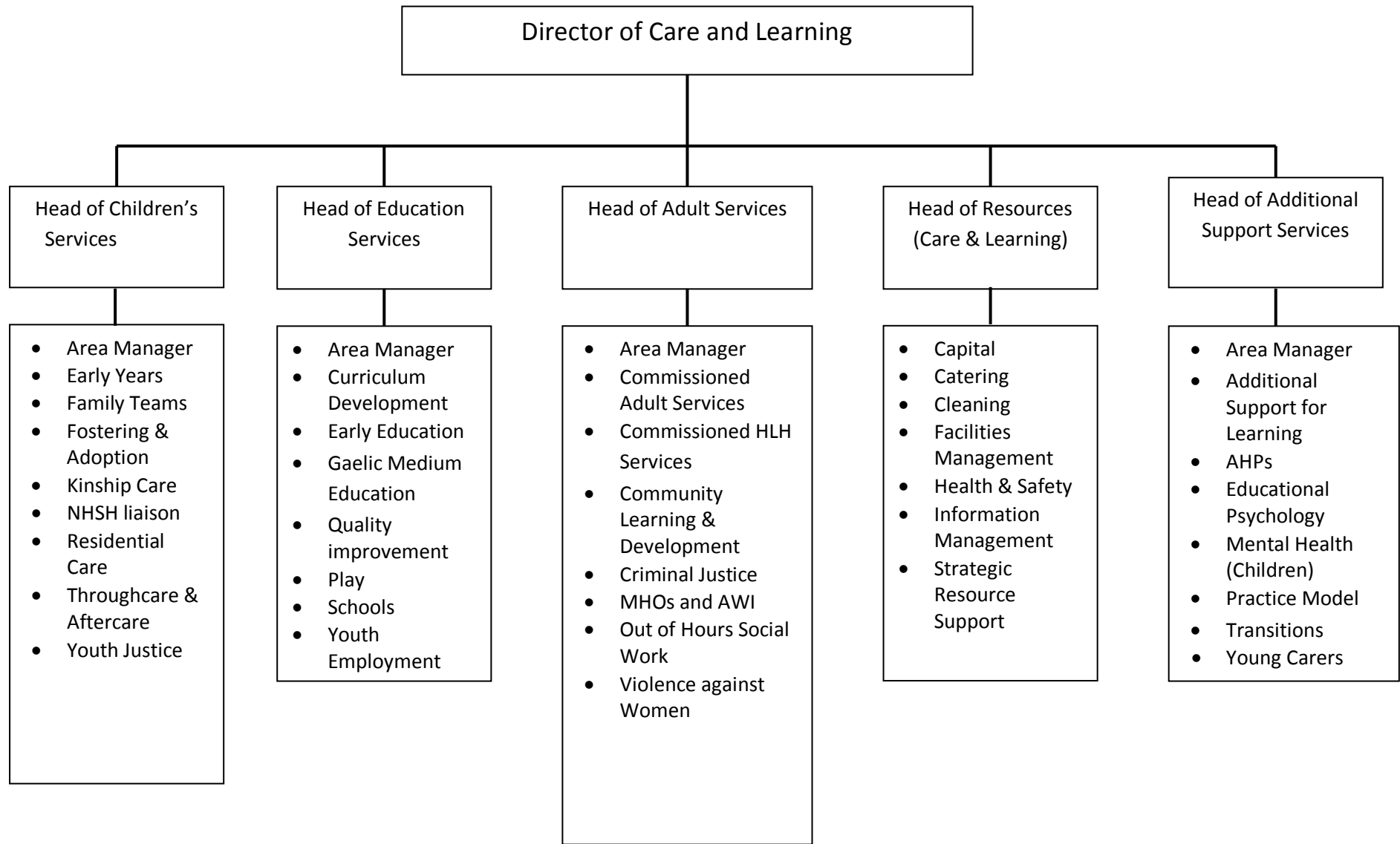
Appendix 1 - AGREED SERVICE STRUCTURE



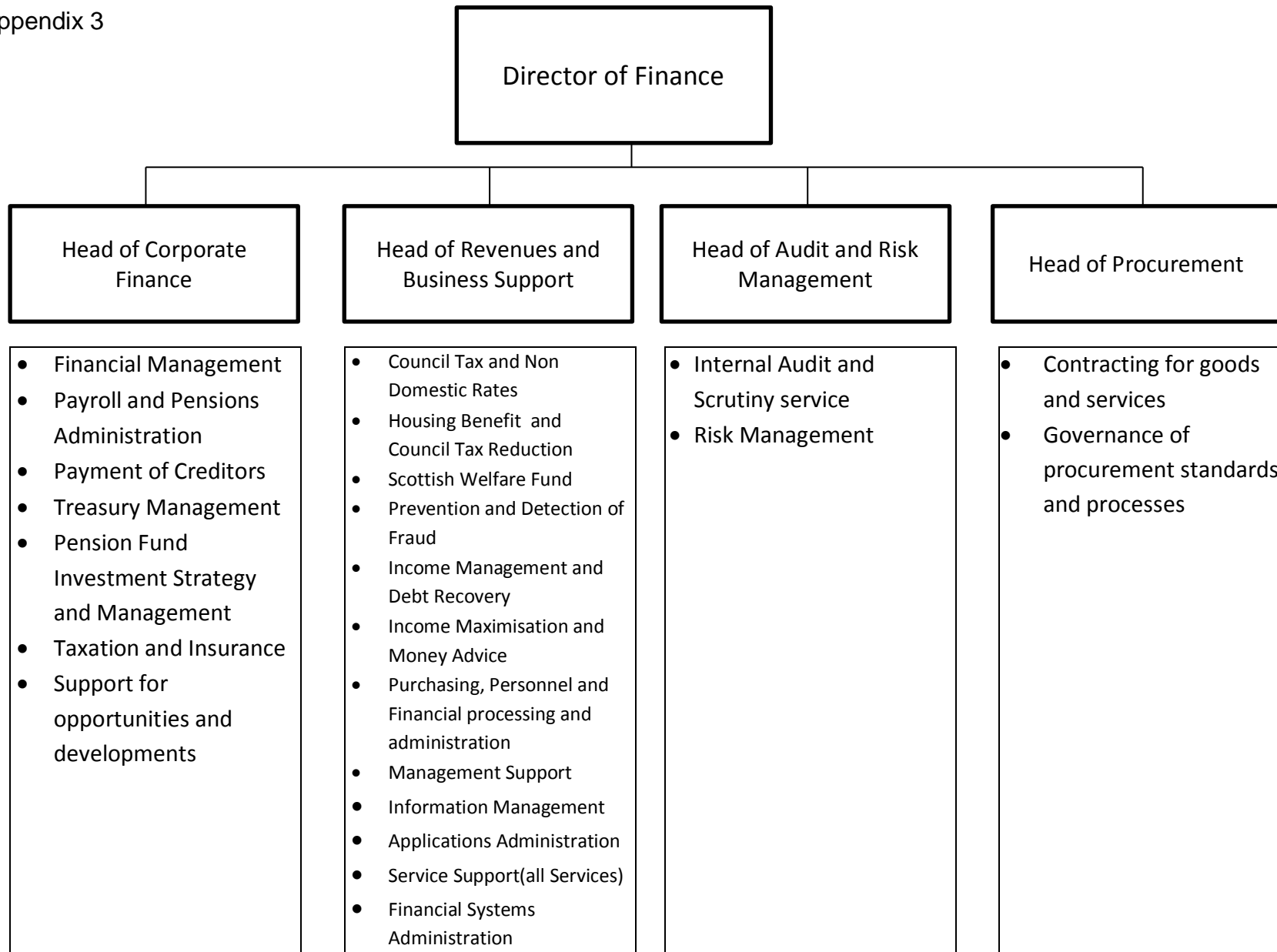
Appendix 1A - AGREED SERVICE STRUCTURE
AMENDED DIRECTORATE TITLES



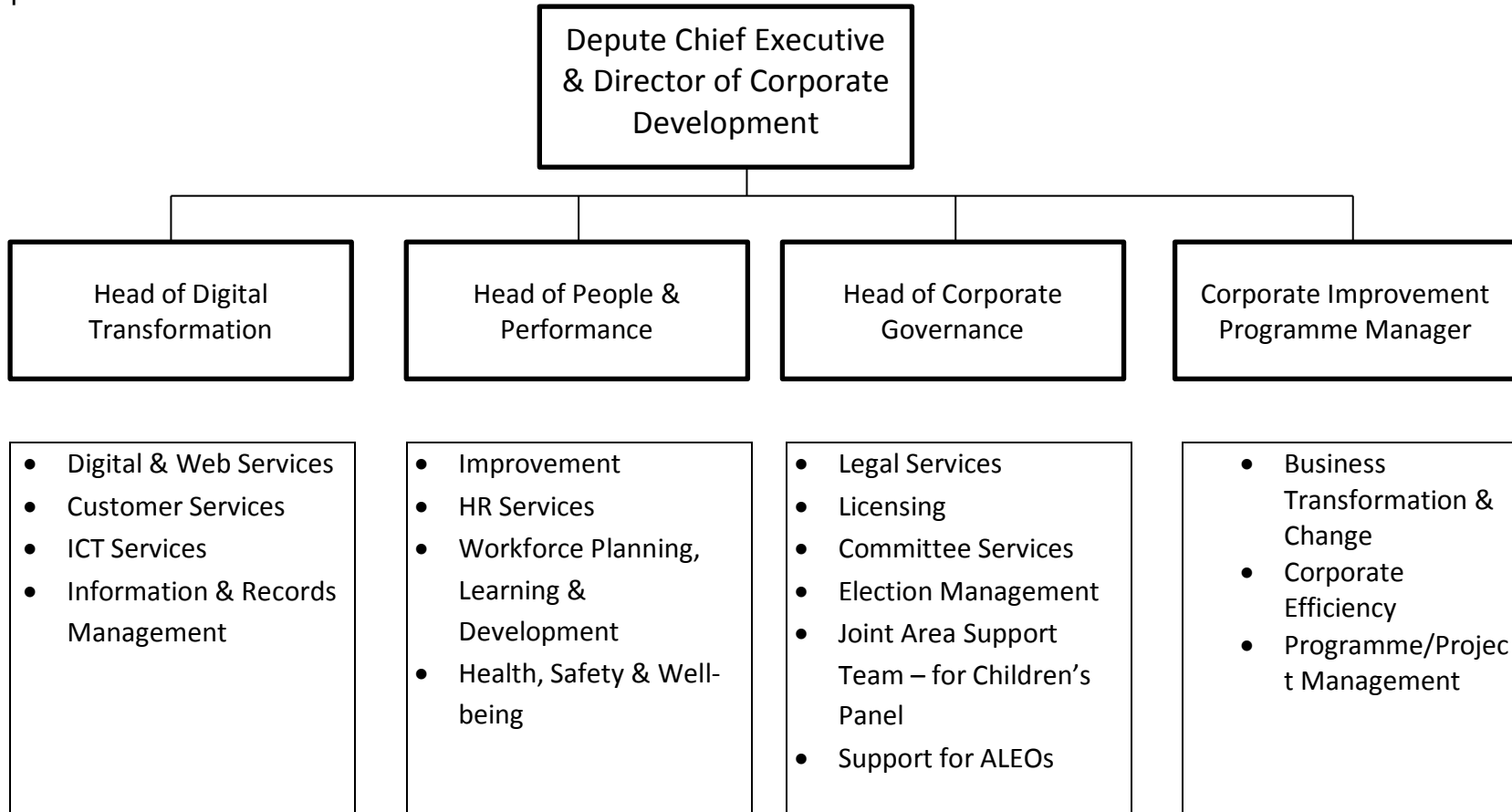
Appendix 2



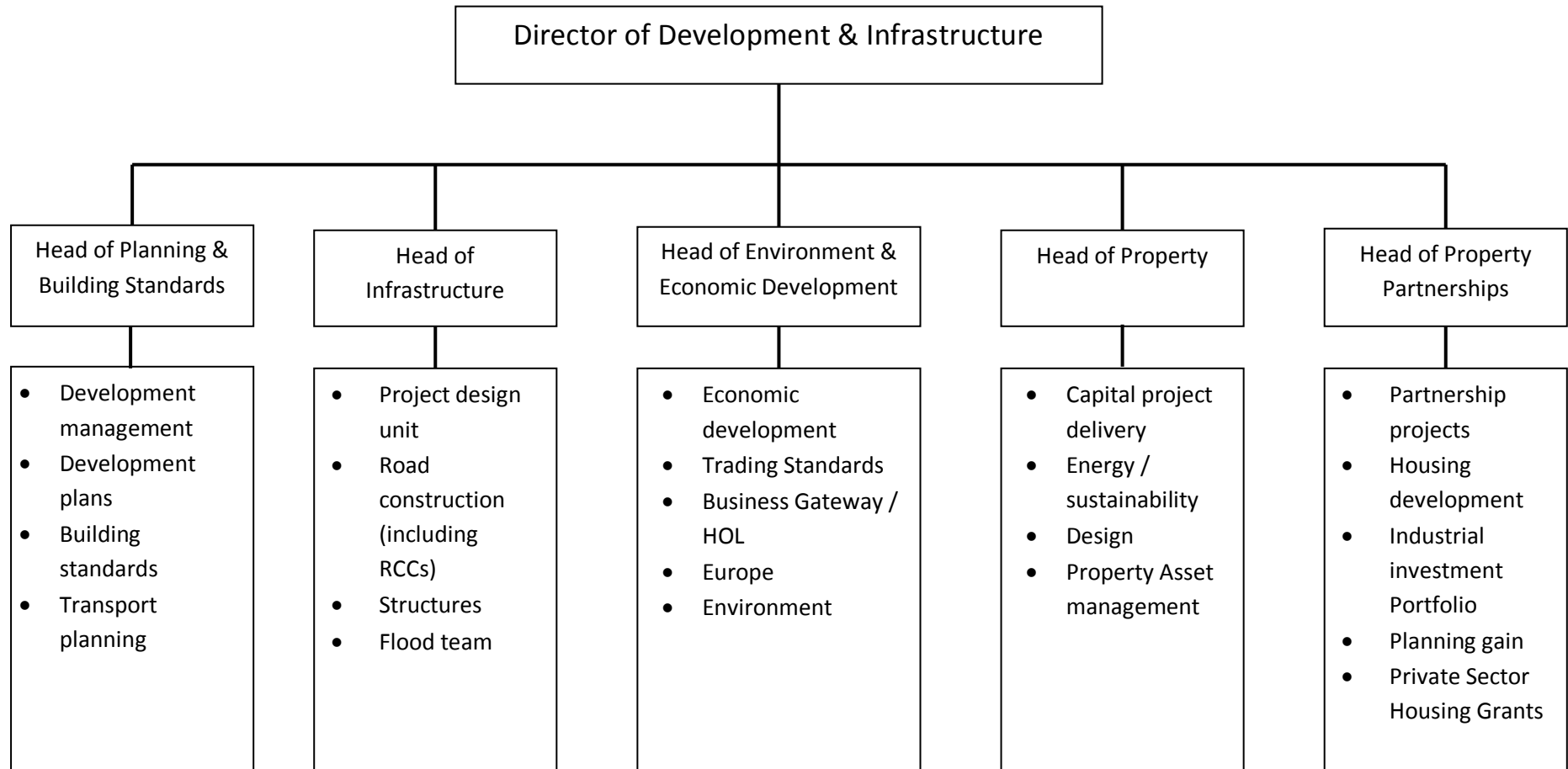
Appendix 3



Appendix 4



Appendix 5



Appendix 6

