

The Highland Council
Community Services Committee
4 February 2016

Agenda Item	6
Report No	COM 3/16

Proposed Amendments to Service Structure - follow up report

Report by Director of Community Services

Summary

This paper seeks approval to amend the Service structure and align teams under four Heads of Service and should be read in conjunction with the previous report on this subject to CS Committee on 5 November 2015.

1. Background

- 1.1 Report No. COM 54/15 - 'Proposed Amendments to Service Structure' - has been recirculated with this report and is attached.
- 1.2 The minutes of 5 November CS committee on this subject record that "whilst being minded to support the basic structure of four Heads of Service, further consideration should be deferred pending more detailed information being received". The information being requested by Members related to localism and improved service delivery. The appendices attached to this report show the clear line of sight between Heads of Service and local delivery on the ground.
- 1.3 Since 5 November 2015, the Council's financial position has become a lot clearer with the budget gap having widened considerably.
- 1.4 It has also become clear that the Council must look at its management costs from Chief Executive downwards and each Director is currently reviewing their own Service management structures to help ensure the Council delivers a balanced budget on 25 February 2016.
- 1.5 In light of work already achieved through Workforce Planning, Communication and Employee Surveys and various workshops, Community Services management has identified this new structure as an efficient and effective means of delivering services. However, we do need to get on and take the management costs out, as previously outlined in 5 November 2015 committee report.
- 1.6 In addition to this, the Chief Executive subsequently launched a Council-wide Voluntary Redundancy (VR) Scheme in December 2015 with a closing date of 29 January 2016.

1.7 The budget gap facing the Council and the introduction of the VR Scheme are both critical factors curtailing the level of detail that can be presented to Members on the new structure below Head of Service level. Should Members agree the move to a four Head of Service structure, this means the Service can deliver its fair share of the management savings required by the Council.

2. Proposed Changes to Service Structure

2.1 The 5 November report deals with this in some detail, outlining key justifications for the proposed changes, which, as described in the minutes of 5 November committee, Members were 'minded to support'.

3. Appointments to Heads of Service

3.1 As described in the 5 November report, these are significant changes to posts and, as a result, it is proposed that all eight posts in the current management structure be deleted and replaced with the four newly created Heads of Service posts.

3.2 These posts have now been through Scrutiny Panel.

3.3 Consultation has taken place with Trade Unions and the eight affected staff regarding the proposed structure and these discussions will proceed on a more formal basis should the structure be approved.

4. Service Teams

4.1 As explained in section 1 it is not possible to show the full structure as this will be subject to further change based on outcomes from the VR Scheme and other aspects of service delivery that may have to be reduced or stopped to help close the Council's financial gap. The details of this will not be fully known until after the Council sets its budget on 25 February 2016.

4.2 Following meetings with Community Services' SMT, we have proposed an indicative structure below Head of Service level as outlined in:

Appendix 1: Roads and Transport

Appendix 2: Environmental and Amenity Services

Appendix 3: Housing and Building Maintenance

Appendix 4: Performance and Resources

4.3 Section 2 in the 5 November report outlines in detail key justifications for the move to four Heads of Service:

- Simplified line management arrangements
- Better alignment with strategy and policy
- Support for localism
- Improved synergies between parts of the Service
- Better targeting of key risk areas requiring improvement
- Improved strategic leadership

However, that first report did not perhaps place enough emphasis on the

importance of making savings and the link to localism. To be clear, this restructure will deliver better services but it will also make considerable savings for the Council.

4.4 The indicative structures shown in appendices 1 - 4 have been discussed with Trade Union colleagues and with the extended management team in Community Services (that is all direct reports to the eight current members of SMT).

4.5 Whilst these are indicative structures at this stage, the information provided should give Members confidence that local service delivery is a top priority for the Service with each chart showing a clear line of sight running from Head of Service to local delivery.

5. Key Principles in Agreeing Final Structures below Head of Service

5.1 The Community Services Senior Management Team has developed 5 key principles that should be applied when considering final structures below Head of Service. These are laid out below and Members are asked to approve these as key principles in our further development of structures below Head of Service:

- i. Effective and clear - at the local level but linked to strategy and policy
- ii. Value for money
- iii. Supports customer service
- iv. Flexible workforce - effective and efficient use of staffing resources
- v. Future proof – not restricted to current operating models but taking into account future agendas such as modernisation and shared services

6. Communications

6.1 With the amalgamation of TECs and Housing and Property Service in 2014 the Community Services Senior Management Team developed a Staff Communication and Consultation plan. This plan provided a clear commitment to staff regarding a proactive approach to the change management process. The objective of the plan was to provide protocols to ensure that, through any change process staff, would be supported through relevant and appropriate communication and consultation. The purpose was to minimise misunderstanding and misinformation.

6.2 To meet the requirements of that commitment, the Senior Management Team has approved a Communication Plan linked to proposed restructuring. This plan (**Appendix 5**) outlines who needs to be communicated with/ informed/ consulted at each stage. It will be reviewed and updated as and when necessary.

7. Implications

7.1 Resources

It is anticipated that savings of some £300k in 2016/17 can be found from this

restructure (which includes savings from the Environmental Health restructure agreed at CS committee on 5 November 2015)

The Council's policy is to avoid compulsory redundancies wherever possible.

7.2 Risks

There is likely to be performance risks associated with these changes flowing from the Voluntary Redundancy Scheme with a number of skilled and knowledgeable staff leaving the Service. Restructuring and redesign of services and roles will result in some staff moving to new roles and potentially requiring training and support. It could take up to a year (perhaps longer) for these staff to become fully capable within their roles and, in that time, there may well be a reduction in outputs, efficiency and standards. Members should be aware that, as a result of these risks, patience will be required with some aspects of service delivery following these Service changes and community expectations will have to be carefully managed.

7.3 Legal; Equalities; Climate Change/ Carbon Clever; Rural; Gaelic

There are no known risks in these areas associated with the proposals contained in this report

Recommendation

The Committee is invited to:

- i. agree the four new Heads of Service structure for Community Services;
- ii. agree that appointment to the four new Heads of Service posts takes place as a matter of priority;
- iii. note the indicative structure below Heads of Service, as outlined in appendices 1 - 4;
- iv. agree the key principles that should help shape final structures below Head of Service and linked to localism, as outlined in section 5 of the report; and

Subject to the agreement of i and ii

- v. agree that a further report be presented to the April Community Services committee outlining firmed up details of the structure below Heads of Service, taking into account outcomes from the Voluntary Redundancy Scheme and the Council's budget, which will be set on 25 February 2016

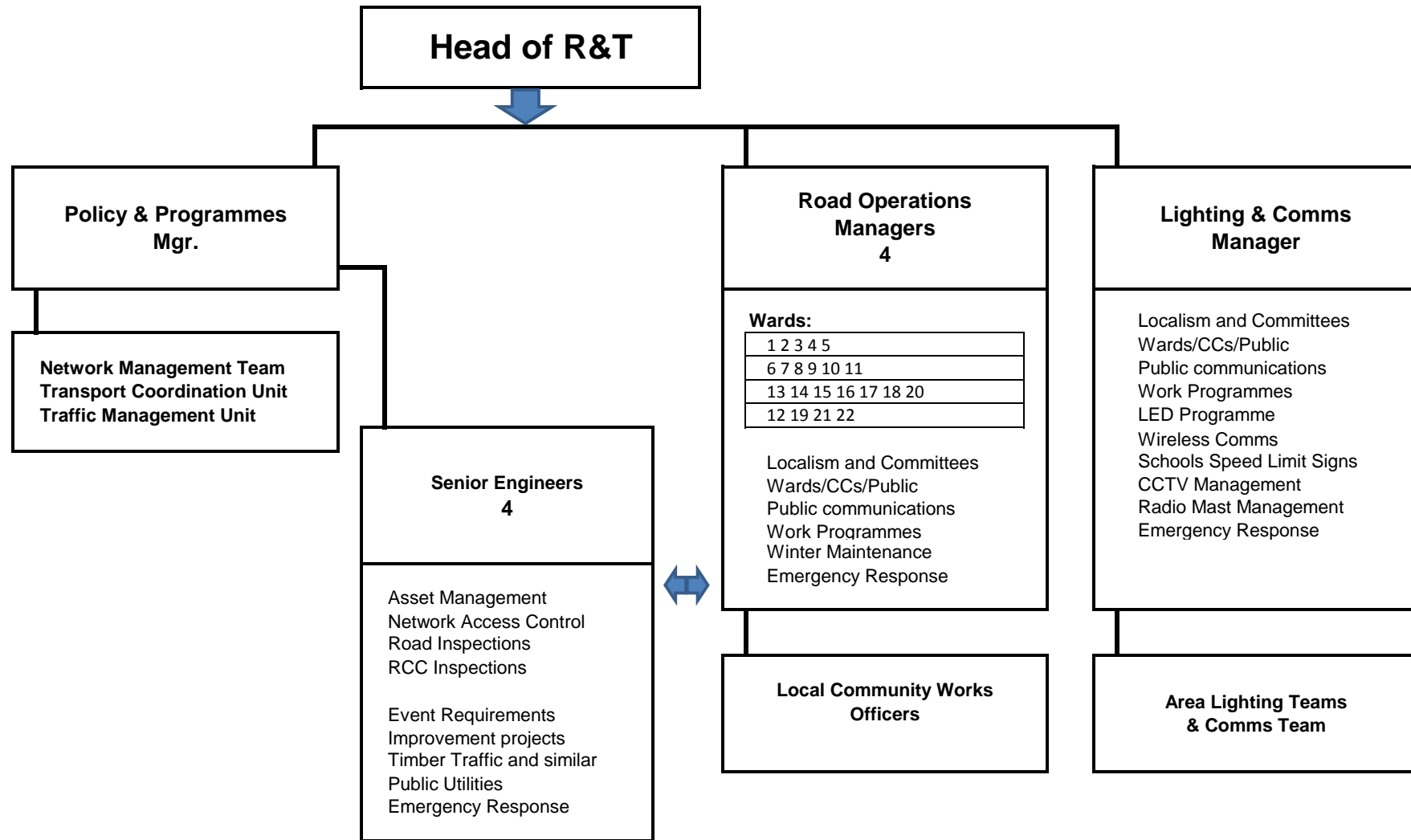
Designation: Director of Community Services

Date: 24 January 2016

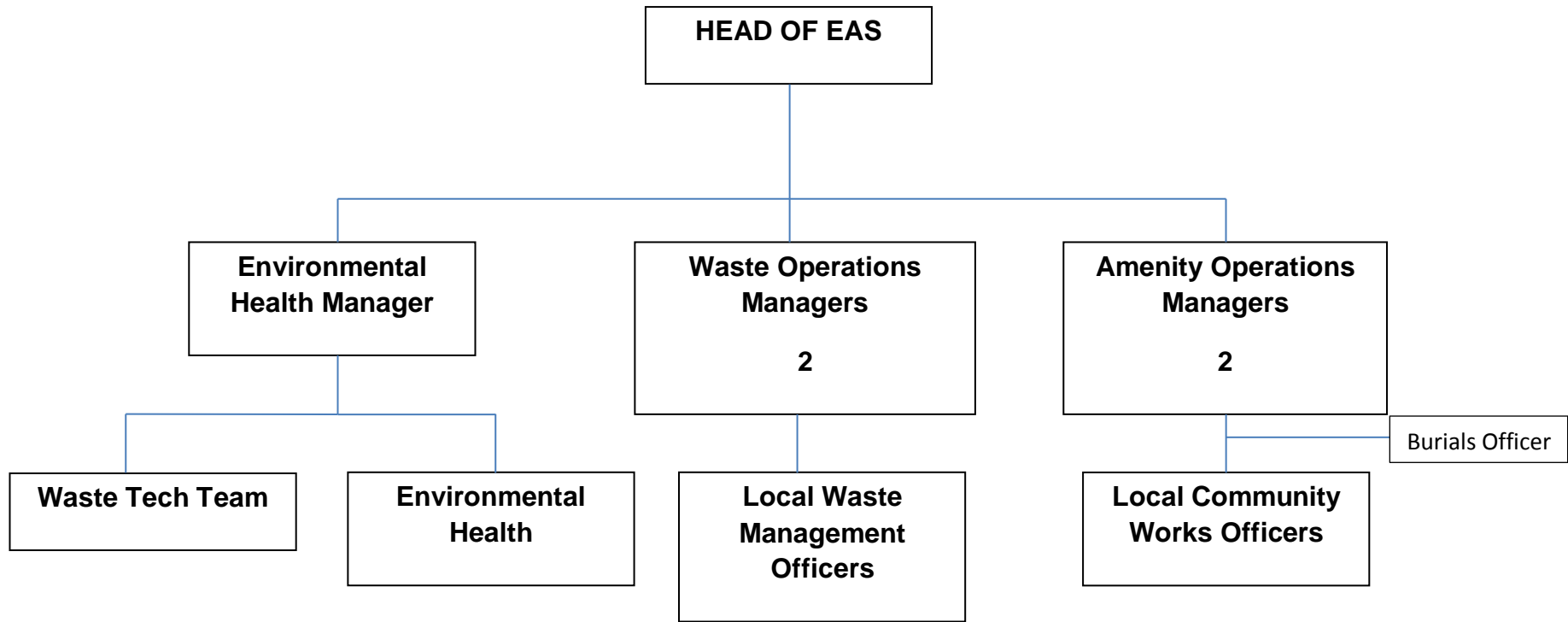
Author: William Gilfillan

Background Papers: Report No. COM 54/15, 5 November 2015 - 'Proposed Amendments to Service Structure'

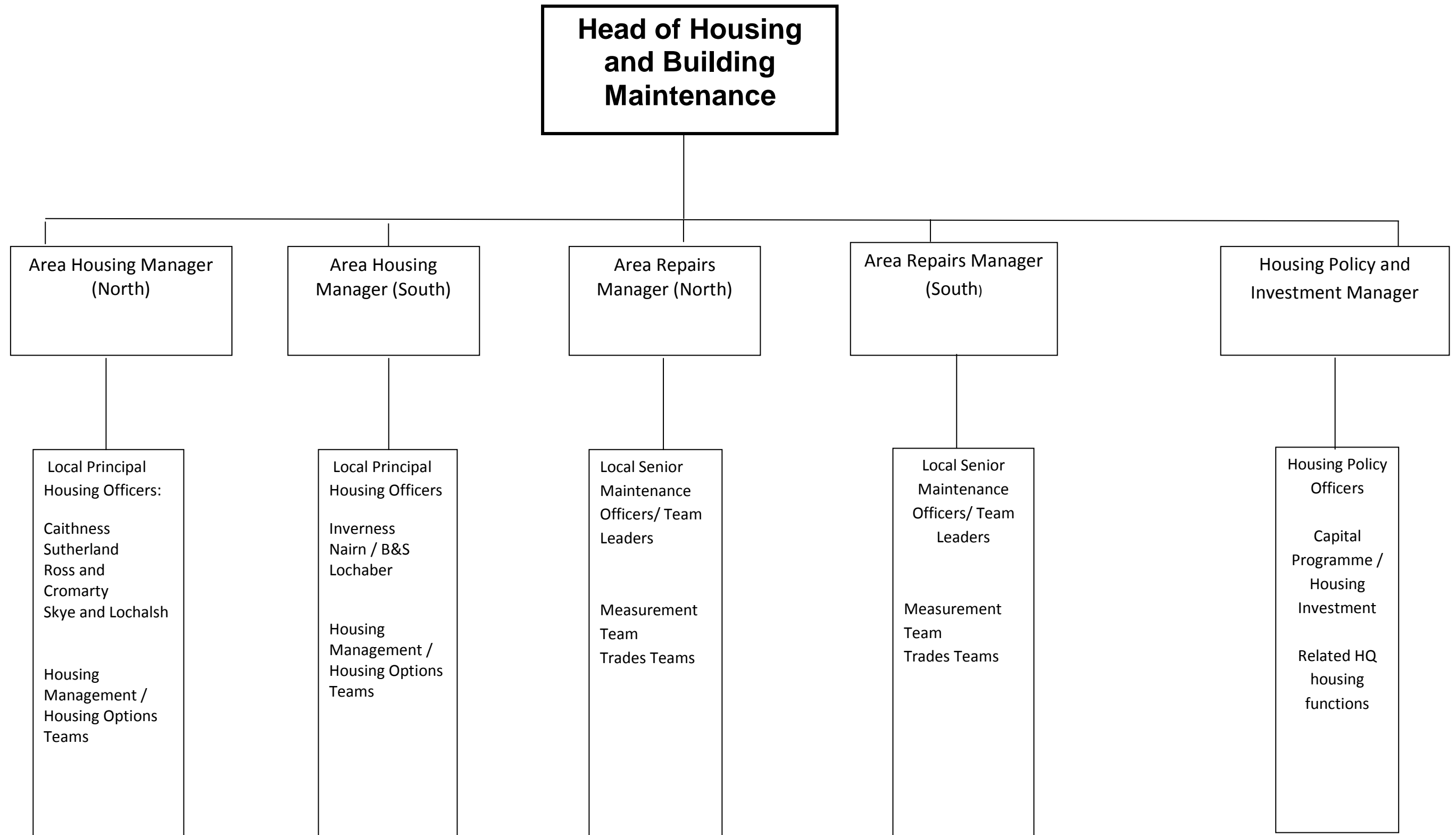
ROADS & TRANSPORT



ENVIRONMENTAL & AMENITY SERVICES

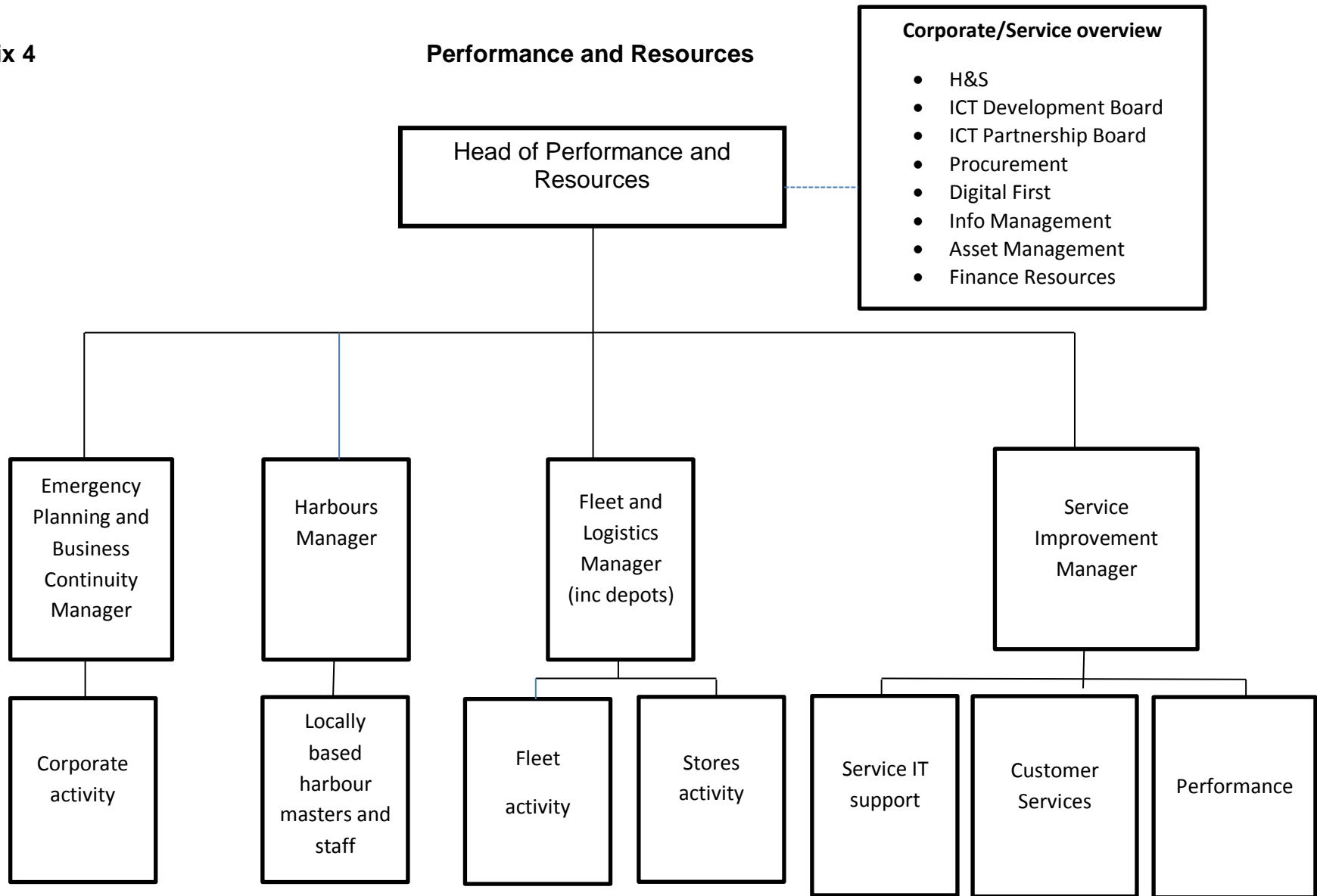


Housing and Building Maintenance



Appendix 4

Performance and Resources



Audience	Objective of communication	Message	Person to deliver comm.	Method and frequency	Monitor effectiveness
Trade Union representatives	Gain agreement on communication plan	Commitment to providing clear, relevant information and consultation processes as appropriate to all staff within CS	William Gilfillan, SMT/HR	Weekly meetings for 1 month then review as appropriate	Asking for formal feedback at every meeting and corporately through partnership forum
Members/Chair	Ensuring members are briefed on implications of restructure on service delivery	Implications for members and communities in delivery of service	William Gilfillan	Weekly meetings	Questions asked on proposals and outcomes for service
All service staff	To ensure staff within CS are kept apprised of proposals put forward to members re way ahead	Overview of what's occurring, why, when and how it could affect staff providing policy and process of consultation that would apply in relation to informing and communicating with staff and TU input	First line managers	Briefings – providing commitment to sending out update at each identified milestone; i.e. after Jan 21 st special council meeting; end of Jan VS date; mid Feb Council decision re budget	Offering phone number for queries to be logged – Monitoring responses
Direct reports to current SMT (i.e. HC13,12, 11,10, 9's)	Understanding of proposals for restructuring going forward	Outline content of committee report – why and what that means for them if proposal is approved i.e. once senior mgmt. posts are in place consultation to take place to develop proposals for new structures going forward	William Gilfillan	briefing held on 22/1/16	Ask for questions pre, during and after briefing – ensuring a FAQ is developed and distributed to all staff directly affected by committee paper recommendations
Staff who directly report to HC13, 12, 11,10,9	Extending consistent message to supervisory staff	Update of what has occurred prior to, and after committee meeting.	HC13,12,11,10,9 as appropriate	Regular staff meetings for next 6 month period (at 4-6 week intervals) to	Questions received/feedback given/questionnaire

		What and how the next stage of restructure will be conducted and how this will affect staff going forward. Asking for feedback and input in relation to what information and levels of consultation they require and how this can be achieved		ensure up-to-date information is provided regarding progress of restructuring and feedback as to concerns/issues	review February 2017
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The Highland Council
Community Services Committee
5 November 2015

Agenda Item	7.
Report No	COM 54/15

Proposed Amendments to Service Structure

Report by the Director of Community Services

Summary

It is proposed to amend the Service structure to align teams under 4 Heads of Service rather than under the current matrix management structure of 8 (3 Heads of Service, 4 Area Managers and 1 senior manager). This paper outlines the benefits to the Service, Highland Council and the public, and the affects this will have on staff. Members are invited to approve the new structure in principle and to agree that a report comes back to committee in February 2016 to agree grades, job & person specifications and the recruitment process for the proposed new 4 Heads of Service posts.

1. Background

- 1.1 On 24 October 2013, the Council agreed a Service structure of 5 Directorates.
- 1.2 As of 1 April 2014, much of what was Transport, Environmental & Community Services and Housing & Property Service became Community Services (**Appendix 1** shows the current management structure and key responsibilities of each post within this structure).
- 1.3 A new Director was appointed in February 2014 to implement these changes.
- 1.4 Over the past 18 months further work has taken place to align Service teams with the 4 Areas and with the values we have agreed as a Service:
 - put our customers at the centre of what we do;
 - discuss with communities how they could do more themselves and how we could support them to do so;
 - be consistent in our dealings with people across the Highlands;
 - listen to our customers and explain our decisions;
 - be open, honest and transparent in everything we do; and
 - focus on performance to help us be the best we can be
- 1.5 Restructure work has previously taken place in area delivery, transport and fleet; with changes to Environmental Health proposed as a result of a Workforce Planning exercise presented in a separate paper to this Committee today.
- 1.6 In common with all Local Authorities across Scotland, the Council faces significant financial challenges over the next 3 years. Given that the majority of the Council's budget is staffing then it is no surprise that Community Services is taking a close look at its staffing resource. Again, through Workforce Planning, we need to ensure that our staffing resource is fit for purpose to meet future Service demands and utilise current staff as effectively

and efficiently as possible.

2. Proposed Changes to Service Structure

- 2.1 **Appendix 2** shows the proposed new Service structure of 4 Heads of Service and the key responsibilities of each post.
- 2.2 Within the current structure of 8, the Director provides direct line management for the 4 Area Managers but the policy and strategic direction comes from the Head of Housing and the Head of Roads and Transport. Within this matrix, the Building Maintenance function is managed by the Performance and Building Maintenance Manager.
- 2.3 The proposed model of 4 is simpler and more functional with the Heads of Service being responsible for policy and strategy through to service delivery. Through identification of service delivery needs (either by client/ customer engagement, legislation or development of good practice), policy and strategy will be developed, communicated, delivered and evaluated to ensure improved service delivery going forward, under one functional Head of Service. The Director will be better able to direct and support this model in a more consistent manner whilst being freed up overall to better direct the Service. At present there is no time to learn from others across Scotland and seek to drive innovative improvements from best practice and experience elsewhere.
- 2.4 Service delivery will of course still happen at the local level. The new structure will better enable the Service to prioritise and focus more clearly on key areas that matter most to the public and where we are under most pressure to deliver improvements. With continued financial pressure on the Service and close scrutiny of key areas of service delivery, it is time to take stock and put key 'families' of staff together to help the Service to concentrate on, for example, grounds maintenance, housing voids, roads maintenance, performance management and community engagement.
- 2.5 Through Workforce Planning exercises, together with information derived from Community Service's internal Communication Survey and the corporate Employee Survey, we now have management information that provides clear synergies between different areas of work. The information derived has helped shape the new 4 Heads of Service structure and will maximise the ability of the Service to deliver multi-skilling across similar areas of work. For example, staff currently operating in the 4 Areas deliver grass cutting and grounds maintenance, whilst staff within our current Environmental and Regulatory Services deliver waste management and street cleansing. All these staff come within the same job families in relation to pay grade and skill base. To bring these functions together under one Head of Service provides opportunities for more effective use of the total resource and expands (through training and support) skills base for staff with an improved service delivery outcome for communities.
- 2.6 There will continue to be significant overlap between staff involved in grounds and roads/winter maintenance and the 2 relevant Heads of Service in the proposed new structure will need to work closely together to maximise this. This already substantially happens within the area structures and lessons

learned from this will be applied in the new structure at the local level.

- 2.7 Through the proposed realignments there will be also be opportunities going forward for all 4 Heads of Service to bring forward further proposals for multi-skilling that in the longer term will protect jobs and deliver better services locally.
- 2.8 Bringing together Housing and Building Maintenance (and separating the responsibility of grounds and roads/winter maintenance from this at the local level) will enable the Service to concentrate on some high risk areas. We need to keep a clear focus on voids, homelessness, capital planning and arrears and give these our undivided attention as we endeavour to deliver the best service possible to our tenants across Highland.
- 2.9 A key focus for the Head of Performance and Resources will be to provide strategic leadership to the whole Service across a range of critical support functions, for example, customer services, performance, resources, information management, ICT, Business Support, H&S and procurement. However the remit also includes some key operational service areas that work across the Service, and indeed the Council, for example, Fleet, Stores & Depots, Harbours and Emergency Planning. These will benefit from being separated from Roads and Transport where, within the current structure, there are too many direct reports for the current Head of Service to manage effectively.
- 2.10 Not least in consideration of these changes are the impacts of Community Empowerment and the Council's own new localism agenda. Community Services is going to be at the sharp end of this from April 2016 and, as a Service, we need a fresh approach to deliver our part. Within the Service at present we have staff involved in community engagement, for example, waste awareness, community works and tenant participation. We will need to build on this and ensure we bring proposals back to the next committee on how this will work across the Service at the local level going forward.
- 2.11 It is important that Members know who to speak to at the local level regarding local matters. Local service delivery will always be a high priority for Community Services and the proposed simplified structure will make it easier for local Members and communities to know who to speak to and to get feedback at local committee/ forum and community level

3. Appointments to Heads of Service Posts

- 3.1 The aim of the appointment process will be to minimise disruption to service delivery. However these are significant changes to posts and, as a result, it is proposed that all 8 posts in the current management structure be deleted and replaced with 4 new Heads of Service posts.
- 3.2 In line with Council policy, as these jobs have changed, they will be subject to grading review to ensure transparency, equality and integrity of the grading structure.
- 3.3 When filling these posts, we will seek to find best-fit solutions which are

flexible enough to benefit from both the objectives of the restructure and the skills/experience of the staff affected.

3.4 Discussions have already taken place with Trade Unions and the 8 staff affected by these changes and these discussions will continue on a more formal basis if the proposal is approved.

3.5 It is positive to report that all 8 members of the Senior Management Team wish to sit down with the Director to agree the best way to take forward service delivery in the new structure. This will assist with early delivery of any changes needed to Service teams to align with the new structure.

4. Service Teams

4.1 There will of course need to be further decisions on alignment and deployment of posts below the Service Senior Management Team level. Any amendments to posts arising from these decisions will go through Trade Union and staffing consultation and be presented to a future Community Services committee for approval.

4.2 At this stage it is not possible to be more specific about changes to service teams. The Heads of Service appointed will work with the Director to bring forward any amendments to posts and, as previously stated, this will be managed through consultation with Trade Unions and staff.

4.3 Service delivery is of course a very high priority for Community Services and as such it is recognised that senior operational management is still required under the Heads of Service.

4.4 It is hoped that key management changes in service delivery will be available for approval at the April 2016 CS committee.

5. Timetable

5.1

Action		Timetable
1.	Members agree new CS structure in principle	5 November 2015 CS Committee
2.	Heads of Service - grades, job & person specifications and recruitment process agreed	February 2016 CS Committee
3.	Appointment to Heads of Service	February 2016
4.	Service Delivery - key changes to management	April 2016 CS Committee

6. Implications

6.1 Resources

It is anticipated that savings of some £300k in 2016/17 can be found from this restructure (which includes proposals for savings from Environmental Health, included in a separate report to this committee).

The Council's policy is to avoid compulsory redundancies wherever possible and should be achievable but there may well be one-off costs arising from voluntary severance and redeployment.

6.2 Risks

There may be short-term performance risks associated with these changes which can be mitigated through the Director's leadership and support.

6.3 Legal/ Climate Change/ Carbon Clever/ Rural/ Gaelic

There are no known risks in these areas associated with the proposals contained in this report.

7. Recommendation

The Committee is invited to agree:

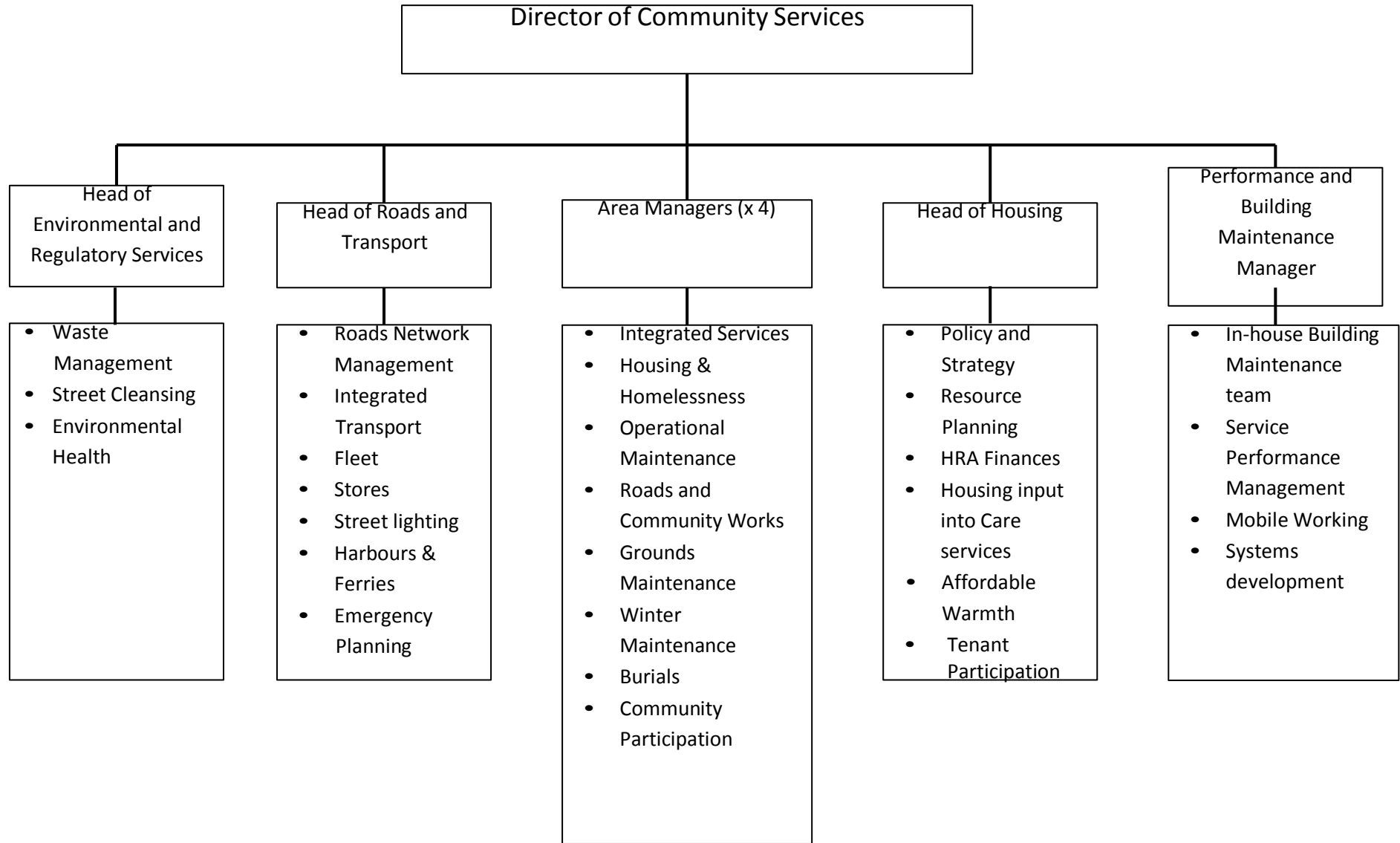
- i. the new Service structure in principle as outlined in Appendix 2; and
- ii. that grades, job & person specifications and the recruitment process for the 4 Heads of Service posts be brought to the February 2016 CS Committee for approval

Designation: Director of Community Services

Date: 27 October 2015

Author: William Gilfillan

Appendix 1



**Director of
Community Services**

**Head of Environmental
and Amenity Services**

Policy and Strategy
Operational Mgt
Waste Management
Environmental Health
Street Cleansing
Public Toilets
Burials/ Cremations
Grounds Maintenance
War Memorials
Comm Engagement

Service Delivery

**Head of Roads and
Transport**

Policy and Strategy
Operational Mgt
Transport
Traffic Management
Street Lighting
Communications
Ferries
Roads Maintenance
Engineering
Winter Maintenance
Comm Engagement

Service Delivery

**Head of Housing and
Building Maintenance**

Policy and Strategy
Operational Mgt
Local Housing Strategy
Housing Revenue
Account and Capital
Planning
Housing and Property
Building Maintenance
Homelessness
Tenant Participation &
Comm Engagement

Service Delivery

**Head of Performance
and Resources**

Customer Services
Performance
Workforce Planning and
Resources
H&S
Information Mgt & ICT
Business Support
Procurement
Fleet/ Stores/ Depots
Harbours
Emergency Planning
Comm Engagement

Service Delivery

NEW LOCALISM
Engagement, Empowerment, Performance, Reporting