

South Ayrshire Council

Report by Executive Director – Resources, Governance and Organisation to Special South Ayrshire Council of 19 August 2014

Subject: Staffing and Structural Alterations within Property and Risk

1. Purpose

- 1.1 This report outlines proposed revised structural arrangements within Property and Risk services.

2. Recommendation

2.1 It is recommended that Council:

- (1) approves the revised staffing and structural arrangements as outlined in para 4 and detailed in the attached Appendices; and

[Appendix 1](#)

[Appendix 2](#)

[Appendix 3](#)

[Appendix 4](#)

[Appendix 5](#)

[Appendix 6](#)

[Appendix 7](#)

[Appendices 8 and 9](#)

- (2) approves the draw on the Efficiency and Improvement Fund of £44,000 per annum for two years as noted in para 4.5.

3. Background

- 3.1 The Raising Our Ambitions for South Ayrshire report, agreed by Council on 27 September 2012, among other things, revised service configurations and management arrangements at Chief Officer level, and recognised the need to review and redefine management remits and staffing arrangements at other levels across the organisation. The subsequent implementation of Raising Our Ambitions resulted in the relocation of a number of managers and services/ parts of services across Directorates, and it is considered appropriate to amend structures, particularly at management levels, to properly reflect this new way of working and organisational change which must be delivered against a backdrop of significant financial challenges. It is crucial that appropriate structures are in place to deliver transformational change across the Council.

- 3.2 Further high level changes for senior Council management were approved by Council on 15 May 2014. This altered a number of Chief Officer remits, including that of the previous post of Head of Corporate Resources, which was redesignated Head of Property and Risk with responsibility for a single centralised property service, including Projects and Design

and Estates and Asset Management, as well as Risk and Safety. Projects and Design had previously been the remit of the Head of Property and Facility Services within the ENE Directorate, but transferred, on an interim basis, to Corporate Resources in the middle of 2013,

- 3.3 The Leadership Panel of 27 August 2013 approved two additional posts for Asset Management and three temporary (fixed 2 year term) Capital Programming posts in recognition of the urgent need to improve service immediately in these areas. The finalisation of the Head of Property and Risk's remit now allows further restructuring of property services to provide the required structural operating model across all Council property services.
- 3.4 The proposed structures have been designed to assist the Directorate to deliver the Council's strategic objectives and will contribute to achievement of the identified efficiency savings within 2014/15 and future financial years.

4. Proposals

- 4.1 There is no single or simple solution to overcoming the myriad challenges facing the Council – the response and actions are being altered and tailored to reflect specific issues. Likewise, there is no uniform approach to achieving the associated necessary structural and staffing changes, which will include amending duties and responsibilities, deleting existing jobs, creating new jobs, and adjusting where and when activities are carried out.
- 4.2 The necessary changes arising from this process do not constitute a major reduction in the overall number of jobs available, to the extent that it is not expected that a significant number of employees will have no alternative but to leave the organisation. By and large, there is likely to be a job for everyone who wants one. However, since, by necessity, changes are required that maximise the delivery of services and eliminate unnecessary costs. In a number of cases, the jobs that currently exist are different to those required for the future in terms of remit, location, or grade. In implementing the revised structural arrangements, statutory rights will be assured for all employees, including severance arrangements. Management are confident that, where jobs are deleted and new ones created, there will be limited detrimental impact on earnings and, obviously, in any such cases, preservation arrangements contained within the Managing Change policy will apply for a year. However, it should be noted that the Trade Unions have expressed concern at the potential for any reduction in earnings and creation of some temporary posts.
- 4.3 ***Professional Design Services (Projects and Design)***

- (1) It is proposed that Projects and Design be renamed as **Professional Design Services**. This is to reflect the intention to increase the complement of this service with fully qualified professional employees who are able to undertake more projects in-house. Currently the Council spends a significant amount of money annually to pay for external consultants to undertake project design work on the Council's behalf. This has been a total of approximately £2million over the last 3 years. This has resulted, in many cases, in an unsatisfactory service and contributed to problems with annual delivery of the General Services and Housing Capital Programmes. The intention is to retain a significant element of this cost within the Council by providing the necessary skills in-house. This will require an in-house fee recharge of initially £200,000, rising after eighteen months to £400,000. This will still allow a significant allowance for outsourcing as required and specifically for specialist skills as required.
- (2) The proposed structure for Professional Design Services is attached to this report as Appendix 2. Appendix 1 provides a breakdown of the proposed changes. The current structure is attached at Appendix 3.

4.4 **Asset Management (Estates and Asset Management)**

- (1) It is proposed that Estates and Asset Management is renamed as Asset Management. This revised structure involves a few post swaps between this service and the service described in para 4.3 above. The structure creates a well organised, fit for purpose structure that is better able to respond to the challenges of delivering a high class asset management service. In addition it embeds the new posts of Asset Manager and Data Manager referred to in para 3.3 above. It also embeds the responsibility for the Council's PPP contract (and future schools delivery contracts) with the Assets team.
- (2) The proposed structure for Asset Management is attached to this report as Appendix 4. Appendix 1 provides a breakdown of the proposed changes. The current structure is attached at Appendix 5.

4.5 **Risk and Safety –**

- (1) There is no change proposed to the name of this service. The structure represents a better and more efficient operating model for the service.
- (2) In particular, the proposed structure introduces a two-year fixed term Claims Investigator post at Level 10, to be funded through Efficiency and Improvement Fund. The Council's insurance claims defensibility rate is currently around 52%, which does not compare favourably with other Councils. A claims defensibility strategy will help reduce the number and value of claims, reduce claims handling and legal costs and ultimately drive down premiums. Targets have been set within the Property and Risk Service and Improvement Plan and the underlying team plan to underpin this.
- (3) Potential savings have been identified from more robust investigation and defence of claims of up to £75,000 per annum. This is balanced against an estimated cost of the post at approximately £44,000 per annum. It would be the intention to review the post at the end of the two year period.
- (4) The proposed structure for Risk and Safety is attached to this report as Appendix 6. Appendix 1 provides a breakdown of the proposed changes. The current structure is attached at Appendix 7.

5. **Resource Implications**

5.1 **Financial**

- (1) As outlined in Appendices 8 and 9. Financial costs can be met from within existing revenue budgets, supplemented by additional internal fee income charged to capital projects, as set out in para 4.3 (1). The savings identified contribute to delivering approved budget efficiencies for the years 2015/16 and 2016/17.
- (2) Costs of voluntary severance/ voluntary early retirement or redundancy are not included and will be drawn from the Central Fund.

5.2 **Legal**

There are no legal implications arising from these proposals.

5.3 **Human Resources**

- (1) As outlined above and detailed in the attached Appendices.

- (2) The proposals have been discussed in detail with the Trade Unions. The Trade Unions have raised a number of concerns which management have responded to, Specifically:
- Concerns that a number of current job titles and job descriptions are not correct and that some duties in existing job descriptions do not appear in any of the new job descriptions. This issue appears to originate some years ago as a result of interim arrangements which were not revisited or formalised; revised job remits that were partly implemented; and changing service requirements that were not reflected in staffing arrangements. The Head of Service, in conjunction with the HR team, has agreed to work closely with the Trade Unions and employees to resolve any outstanding issues or concerns before the matching process commences.
 - Concerns that some of the jobs on the new structure are temporary on the basis that this may result in permanent employees being offered temporary posts. This reflects the fact that the work these posts will undertake will be time-limited and will come to an end at a specified future date; currently anticipated at the end of an 18-month period. It is recognised that some employees may not wish to accept a temporary contract. However, for others, it may offer the opportunity to remain in employment while seeking other permanent posts or, indeed, provide employment for a further period up to a point when they wish to take up the option of voluntary severance. In any event, the rights of a permanent employee who accept such a temporary post will be unaffected.
 - Concerns that the only jobs on the new structure that may be available to some employees will be at a lower grade to their current post. This may be the case. The revised structural proposals reflect the requirements of the service in order to deliver on Council priorities. If the only post available to an employee is at a lower grade than his or her current post, salary will be preserved in accordance with the Managing Change Policy.

6. Risk

- 6.1 ***Risk Implications of Adopting the Recommendations*** - any new risks identified as a result of this report will be assessed in line with the Council's risk management process using defined methodology.
- 6.2 ***Risk Implications of Rejecting the Recommendations*** - rejecting the recommendations may give rise to external criticism, breach of statute, legal challenge and/ or Council liability.

7. Equalities

- 7.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process and there are no significant equality impacts of agreeing the recommendations. A copy of the Equalities Scoping Assessment can be provided on request.

8. Sustainable Development Implications

8.1 This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

9. Options Appraisal

9.1 Structure options for Projects and Design, Estates and Asset Management and Risk and Safety were considered exhaustively. The proposals are considered to be the best to achieve the needs of the services in the future.

10. Link to Council Plan

10.1 This work links to the Aim - *Our public services are efficient, forward-looking and ambitious reflecting the views of our stakeholders; specifically, Ensure the Council makes best use of its key resources to deliver its strategic objectives.* The recommendations of this report support the outcomes detailed within the Corporate Resources Service and Improvement Plan.

11. Results of Consultation

- (1) There has been no public consultation on the contents of this paper.
- (2) Extensive consultation has taken place with all Elected Member groups on the proposals.
- (3) Consultation has taken place with Trade Union representatives and with all employees within the affected services.

Background Papers

Audit Scotland – Targeted Best value Work – February 2014

Audit Scotland – Assurance and Improvement Plan – Update 2013/16 – March 2013

Audit Scotland – major Capital Investment in Councils – March 2013

Report to South Ayrshire Council of 27 September 2012 – [‘Raising Our Ambitions for South Ayrshire’](#)

Report to Leadership Panel of 27 August 2013 – [‘Staffing Changes – Asset Management and Capital Programme Delivery’](#)

Report to South Ayrshire Council of 15 May 2014 – [‘Organisational Structure Revisions’](#)

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