

South Ayrshire Council

**Report by Head of Employee and Customer Services
to Leadership Panel
of 13 June 2017**

Subject: Staffing Changes within Employee and Customer Services Teams

[Appendices 1 to 6](#)

1. Purpose

- 1.1 The purpose of this report is to seek approval for changes to staffing arrangements within Employee and Customer Services.

2. Recommendation

- 2.1 **It is recommended that the Panel approves the revised staffing arrangements as outlined in the attached Appendices.**

3. Background

- 3.1 Between December 2014 and August 2015, efficiency savings, totalling £355,000 were allocated to Employee and Customer services for 2016/17 and 2017/18. These reflected an expectation that the service would be reviewed and that changes to systems and processes would lead to automation of certain work areas reflected in a reduced staffing requirement.
- 3.2 The recommendations of the Payroll and HR Business and Resourcing (PHRBR) Service Review, approved by Leadership Panel on 26 April 2016, identified a number of changes to systems, processes and operating arrangements to improve productivity and/or reduce staffing requirements.
- 3.3 Following the Service Review, further improvements have been identified within PHRBR which will be implemented to reflect the functionality of the new Oracle payroll system and the fact that we now have an integrated HR and Payroll system.
- 3.4 However, a number of these changes could not be fully implemented until the new payroll system was fully operational and the early teething problems resolved. In the interim, the savings have been achieved for 2016/17, and for 2017/18 pending implementation of the proposed changes, through vacancy management.

- 3.5 In addition to the need to achieve the required £355,000 financial savings, there are a number of other changes that are necessary to improve operational efficiency. These are:
- 3.5.1 Reviewing working hours in certain areas of the service to better reflect operational and customer requirements – particularly within the PHRBR team there are insufficient staff present at certain points during each week and surplus staff present at others;
 - 3.5.2 Within the Employability and Skills team, rationalising the allocation of line-management resources, ensuring that sufficient front-line supervisory capacity is available;
 - 3.5.3 Formalising the management arrangements for the Emergency Response Team (following the closure of the Customer Contact Centre) and for the newly established Information and Advice Hub (formally the North Ayr Resource Centre);
 - 3.5.4 Particularly within the PHRBR team, improving performance measurement and management arrangements, including introducing service standards and productivity levels;
 - 3.5.5 Establishing more robust and responsive customer interface and interaction between PHRBR and internal Council services;
 - 3.5.6 Further streamlining and automating systems and processes within PHRBR and HR to reflect the new integrated HR and Payroll system; and
 - 3.5.7 Extending manager self-service facilities and enabling employee self-service.

4. Proposals

4.1 *Payroll, HR Business and Resourcing/Employee Services*

- 4.1.1 To better reflect the nature of the work undertaken and the new integrated HR/Payroll system, it is proposed to change the name of the Payroll, HR Business and Resourcing team to Employee Services. A number of changes to staffing arrangements are proposed, as outlined in Appendix 1.
- 4.1.2 As a result of these changes, staffing levels within Employee Services will reduce by 7.7 FTE, which equates to a reduction of 269.5 staff hours per week. This will achieve a financial saving of £156,589.

4.2 *Employability and Skills*

- 4.2.1 Changes to staffing arrangements are proposed to reflect the fact that there is an element of duplication across two Employability and Skills teams and insufficient capacity to supervise day to day work activities. These changes are outlined in Appendix 2.

- 4.2.2 As a result of these changes, staffing levels within Customer Services will reduce by 1 FTE, which equates to a reduction of 35 hours of staff time per week. This will achieve a financial saving of £50,192.

4.3 **Customer Services**

- 4.3.1 As part of the 2016/17 budget, it was decided to close the Customer Contact Centre (CCC) in October 2016. The CCC managed all calls to the Council's 0300 number and CCC staff were solely telephone based with no face-to-face contact with customers. Closing the CCC and integrating the activities into Customer Service Centres maintained telephone contact for customers, but improved capacity for face-to-face service provision. This resulted in a reduction in staffing levels of 3 FTE, which equates to a reduction of 105 staff hours per week. This generated a saving of £84,084, £20,000 of which was realised in 2016/17. The remaining balance of £64,084 will be removed as part of this exercise.
- 4.3.2 The CCC was formerly jointly managed with the Emergency Response Team (ERT) and following the closure of the CCC and the establishment of the new South Ayrshire Information and Advice Hub, it is proposed to amend existing arrangements to established joint managerial responsibility for the ERT and the Information and Advice Hub. These changes are outlined in Appendix 3.
- 4.3.3 As a result of these changes, staffing levels within Customer Services will reduce by 2 FTE, which equates to a reduction of 70 staff hours per week. This will achieve a financial saving of £78,169.

4.4 **Organisational Development**

- 4.4.1 It is proposed to review staffing arrangements to streamline hierarchical arrangements, as outlined in Appendix 4.
- 4.4.2 This change will not affect the overall number of OD posts, but will achieve a financial saving of £4,427.

4.5 **Human Resources**

- 4.5.1 No further changes are proposed in relation to Human Resources (HR) at this time, however, it is anticipated that further review will be appropriate in the future to reflect workforce changes elsewhere in the Council. Minor changes to job titles are proposed for consistency and to better reflect job remits. These are outlined in Appendix 5.

4.6 **Summary**

- 4.6.1 A summary of the financial and staffing implications of all proposed changes is attached in Appendix 6.

5. **Legal and Procurement Implications**

- 5.1 The recommendations in this report are consistent with legal requirements and reflect appropriate advice.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 Savings of £355,000 were approved from within Employee and Customer Services. The proposals will realise savings of £353,461, the balance of £1,539 remainder will be found from administrative budgets to reflect savings made as a result of further streamlined and automated working arrangements.

7. Human Resources Implications

7.1 The proposed changes will reduce staffing resources by 10.70 FTE, which equates to a reduction of 374.5 staff hours per week.

7.2 The proposed changes will be implemented in accordance with the Council's Managing Workforce Change Framework.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 By implementing the Council's Managing Workforce Change Matching and Redeployment processes, it is hoped there will be a job for all employees who wish to remain in the Council's employment. However, the available jobs may be different to current ones, in terms of remit, hours or grade and this may be deemed by employees and trade unions to be detrimental.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 If the recommendations are not adopted, the required savings cannot be permanently achieved.

9. Equalities

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 7](#).

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - 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.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to the Council strategic objective of 'Improve the way that we work as a Council' and within that to the outcome 'A flexible workforce with the skills and knowledge to deliver services efficiently and effectively'. It also contributes to the Council strategic objective of 'Working in partnership to maximise the potential of our young people' and within that to the outcome 'More children and young people are successful learners, responsible citizens, confident individuals and effective contributors'; and 'Working in partnership to maximise the potential of our communities', within that to the outcome 'Minimise the impact of inequalities'.

13. Results of Consultation

- 13.1 There has been no public consultation on the contents of this report.
- 13.2 Consultation has taken place with Councillor Peter Henderson, Portfolio Holder for Resources and Performance, Councillor William Grant, Portfolio Holder for Lifelong Learning, and Councillor Philip Saxton, Portfolio Holder for Housing and Customer Services, and the contents of this report reflect any feedback provided.
- 13.3 Consultation has taken place with Trade Union representatives and with all staff within the affected service areas. The trade union Unison expressed concerns about a number of issues relating to the changes within the Employee Services team, which are summarised below.:
- 13.3.1 The proposed changes to working hours within the Employee Services team, which are necessary to meet service requirements. In particular, the Unison has referred to the Council's Flexible Working Hours policy and the fact that employees currently have contractual rights to a variety of part-time hours. In response, it has been explained that the Flexible Working Hours Policy clearly states that flexible working hours arrangements need to reflect service requirements. While every effort will be made to accommodate flexible working arrangements, 60% of existing Employee Services employees work less than full-time hours and this has, and continues to have, a detrimental impact on service delivery. [Appendix 8](#) provides a pictorial summary of the current working patterns highlighting (in white) the points in the week where there are gaps in staffing provision. As can be seen, this problem is particularly evident on Mondays and Fridays although required staffing levels are consistent throughout the week. Going forward, the current working patterns will detrimentally impact on the service provision which has required the proposed review. Unison asked for the following additional text to be included in the report *'UNISON received the requested information relating to work patterns on 2 June and discussed the data with its members on 6 June. Whilst employees have differing contractual patterns of work the data does not in UNISON's opinion demonstrate a consistent or persistent lack of staff availability that has a detrimental effect on service delivery and necessitates termination of those contracts and re-engagement on either a half time (0.5FTE) or a full time basis. It is the view of the trade unions that this approach may result in unfair dismissal and sex discrimination claims to an Employment Tribunal particularly given the disproportionate impact this will have on a predominantly female section of the workforce. It is UNISON's view and indeed a statutory right that employees can request flexible working. Since 2014 a council wide policy has been in place to facilitate such requests.'*

Where short term issues have arisen in the past staff have demonstrated flexibility by amending their pattern to accommodate others. For the Resources Governance and Organisation Department to depart from a Council Policy that they are charged with upholding sets a dangerous precedent for staff Council wide'.

- 13.3.2 The fact that employees will be required to go through a selection process for the new posts, particularly since some employees are nervous about doing so. In response, it has been explained that the proposed arrangements are designed to ensure fairness and equality of opportunity and reflect the Council's Managing Workforce Change Framework. The selection process will be competency based and support and training will be available from the OD team for all employees included in a selection process. Unison asked for the following additional text to be included in the report *'UNISON's view is also that the Council's Framework for Managing Workforce Change must apply to staff within this structural review. The policy is clear in the introductory section 'Structural Change' where it states 'In some situations it may be necessary to change structural design within a service area so that jobs are deleted because they no longer reflect service requirements and new jobs are created which do. Where all posts of a particular job type undertaking a particular remit and within a defined service area are deleted, all post holders may technically, be redundant. However, in many cases, the new jobs that are created to replace the obsolete jobs, although different, may be suitable alternative employment and therefore, in advance of issuing at risk of redundancy notices, attempts will be made to match employees in deleted jobs to the newly created jobs.'* It is UNISON's absolute view that this applied to the circumstances of this structural review and there should be no need for competency based selection particularly where changes in the evaluations of the new jobs are marginal and have not resulted in a change of grade'.
- 13.3.3 The original proposal which involved deleting the existing 9 FTE HR/Payroll Administrator posts (graded Level 5) and the existing 10 FTE HR/Payroll Administration Assistant posts (graded Level 4) and creating 14 FTE new Employee Services Administrator posts (graded Level 5), which combined some of the duties of the existing posts. It was proposed that the 14 FTE new posts would be a potentially suitable match for all existing Level 5 and Level 4 employees; this appeared to be the fairest approach in terms of all existing Level 5 and Level 4 postholders. However, Unison's position was that the existing HR/Payroll Administrator postholders (graded Level 5) should be automatically appointed to the new Employee Services Administrator posts and that the HR/Payroll Administration Assistants should have no such claim. In an attempt to overcome the impasse with Unison, the proposal has been changed to the effect that the HR/Payroll Administrator (graded Level 5) job title is changed (to Employee Services Administrator) and the remit amended to include the necessary new duties and responsibilities, and that an additional 5 FTE posts are created. The existing HR/Payroll Administrator postholders will be asked to agree to a variation to their contract to reflect the required changes. The existing 9 FTE HR/Payroll Administration Assistant posts (graded Level 4) will be deleted and the terms of the Managing Workforce Change Policy will be applied. Unison asked for the following additional text to be included in the report *'This position has been welcomed by UNISON particularly as it adheres to the Management Workforce Change Policy. Our objection was largely based around Level 5 post holders being at*

risk of redundancy when they ought to be a straight match to the new Level 5 posts. Meanwhile lower graded staff at Level 4 whose posts are also deleted and also at risk of redundancy, and have not demonstrated the competencies of a level 5, yet could potentially be promoted ahead of existing level 5 staff. It is UNISON's position that there should not be any redundancies and welcome reassurances that there should be enough posts within the Council to accommodate all displaced staff. The position of contractual variation should only apply to the new job title, duties and responsibilities and should not at this stage include any variation to contracted hours until discussions have been exhausted'.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Head of Employee and Customer Services will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Implement the revised structural arrangements	31 October 2017	Head of Employee and Customer Services

Background Papers **None**

Person to Contact **Kate O'Hagan, Head of Employee and Customer Services**
County Buildings, Wellington Square, Ayr, KA7 1DR
Phone 01292 612696
E-mail kate.ohagan@south-ayrshire.gov.uk

Date: **7 June 2017**