

South Ayrshire Council
Report by Chief Executive
to Leadership Panel
of 12 June 2018

Subject: Review of Management Structure

[Appendices 1 to 10](#)

1. Purpose

1.1 The purpose of this report is to:

- 1.1.1 outline proposals for revised fourth tier (and below) structural arrangements to reflect the changes at Chief Officer level (agreed by Council on 14 December 2017) and at third tier level (agreed by Leadership Panel on 13 March 2018);
- 1.1.2 provide an update on the review of procurement, contract and commissioning activities within the Health and Social Care Partnership relative to the Council's procurement service;
- 1.1.3 outline proposals to address current gaps in staffing resource relating to the Children's Service Plan and Community Asset Transfer;
- 1.1.4 outline proposals to create additional staffing resource to improve housing asset management and the Council's housing upgrade and new build programmes; and
- 1.1.5 amend the job title of the Managing Director, Ayr Renaissance LLP (which transferred into the Council on 1 April 2018) to reflect the revised operating arrangements that now exist.

2. Recommendation

2.1 It is recommended that the Panel:

- 2.1.1 approves the revised fourth tier (and below) structural arrangements, as outlined in attached Appendices 1 to 7;**
- 2.1.2 notes that further work is required, as part of the wider structural review of the Health and Social Care Partnership to evaluate the benefits of integrating procurement, contract and commissioning services from the Health and Social Care Partnership (HSCP) with the Council's Procurement team, the findings of which will be reported to Leadership Panel in August 2018;**

- 2.1.3 approves the additional staffing resource in relation to the Children's Service Plan and Community Asset Transfer, as outlined in attached Appendix 9;
- 2.1.4 approves additional staffing resource to (a) improve housing asset management, and (b) progress the Council's housing upgrade and new build programmes, as outlined in Appendix 10; and
- 2.1.5 approves a change of job title for the Managing Director, Ayr Renaissance LLP to Service Lead – Regeneration.

3. Background

- 3.1 The Council, at its meeting on 14 December 2017, agreed changes to Chief Officer structural arrangements and agreed that work should be undertaken to identify the third and fourth tier manager arrangements which are necessary as a result of these changes.
- 3.2 The Leadership Panel of 13 March 2018:
 - 3.2.1 approved revised third tier manager arrangements;
 - 3.2.2 approved revised staffing and structural arrangements in respect of Chief Officer administrative support;
 - 3.2.3 agreed that further work should be undertaken to identify the necessary fourth tier structural arrangements; and
 - 3.2.4 agreed that further work should be undertaken to evaluate the benefits of integrating procurement, contract and commissioning services from the HSCP with the Council's Procurement service for consideration by the Leadership Panel in June 2018.

4. Proposals

4.1 *Fourth Tier (and below) Structural Arrangements*

- 4.1.1 Fourth tier arrangements have now been reviewed, and proposals for a revised structure which better reflects Chief Officer arrangements and Council priorities, as outlined in the Administration's Programme for Effective Governance and the Council's revised Council Plan, are outlined in Appendices 1 to 7. The new Head of Regulatory Services does not commence employment with the Council until 11 June 2018 and, therefore, as noted in the Appendices, no changes are proposed within Regulatory Services as part of this review.
- 4.1.2 As predicted in the 13 March 2018 report, as a result of these proposed changes it is necessary to create additional capacity below fourth tier, and proposals in this respect are outlined in Appendix 8.

4.2 ***Integration of Procurement, Contract and Commissioning Services (HSCP/ Council)***

4.2.1 Some preliminary work has been undertaken to evaluate the benefits of integrating procurement, contract and commissioning services from the Health and Social Care Partnership (HSCP) with the Council's Procurement team. However, at a meeting on 14 December 2017, Leadership Panel agreed that a review of the structural and operational arrangements within the HSCP should be undertaken to reflect the revised Council structure and its current plans and priorities and on the basis of the preliminary work referred to below, it will be necessary to combine these two reviews.

4.3 ***Gaps in Staffing Resource***

4.3.1 The Joint Inspection of Services for Children and Young People, among other things, required the Council to 'deliver specific and measurable improvements in the safety and wellbeing of vulnerable groups of children and young people through effective children's services planning'. While progress has been made in this respect, the Scottish Government's Realigning Children's Services team has, more recently, recommended that the Council create a dedicated resource to co-ordinate this work and monitor and evaluate progress.

4.3.2 Accordingly, as outlined in Appendix 9, it is proposed to create a new post of Strategic Co-ordinator (Children's Service Plan) for this purpose, funded from the savings generated by the review of fourth tier structural arrangements. The post will also assume responsibility for Youth Strategy and Young Scot, which will help ensure young people are fully engaged in the planning process.

4.3.3 Reflecting the Council's commitment to empower and support communities, in June 2016, £1 million of unallocated reserves was allocated to the creation of a Community Halls Fund, for additional staffing and other resources, to assist communities to take ownership of Council-owned community buildings. However, although preliminary engagement has taken place, there has been limited progress to support the actual transfer of assets or to identify and prioritise the investment necessary to allow this to happen.

4.3.4 In addition to the earlier commitment, there is now a financial imperative to progress this matter, since the 2018/19 revenue budget included a number of savings which relied on the successful transfer of assets.

4.3.5 Accordingly, as outlined in Appendix 9, it is proposed that a new post of Team Leader (Community Asset Transfer), graded Level 12, is created utilising the Community Halls Fund.

4.4 ***Housing Priorities***

- 4.4.1 The Council has committed to increasing the number of affordable and warm homes for those on limited income, with potential spending of around £68.5 million from 2017 to 2023. It is essential that there is sufficient appropriate staffing resource to co-ordinate this development.
- 4.4.2 Accordingly, as outlined in Appendix 10, it is proposed that a new post of Co-ordinator (Housing New Build) is created, graded Level 13, for this purpose, funded from the HRA Capital Programme.
- 4.4.3 It is also necessary to improve existing arrangements in relation to the asset management of the Council's housing stock. This will provide a better understanding of the condition and compliance of existing stock, ensure a more strategic and targeted investment and, overall, enhance tenants' wellbeing.
- 4.4.4 Accordingly, as outlined in Appendix 10, it is proposed that a new post of Housing Asset Management Co-ordinator, graded Level 12, is created for this purpose, funded from the HRA budget.

4.5 ***Ayr Renaissance***

- 4.5.1 On 14 December 2018 the Council, as part of the Review of Management Structure, agreed to integrate the management of Ayr Renaissance with other Council regeneration services, by transferring the 2 employees into the Council through the Transfer of Undertakings (protection of Employment) Regulations 2006 (TUPE).
- 4.5.2 The job title of one of the two transferring employees is Managing Director, Ayr Renaissance LLP, which is no longer appropriate within the context of the Council's organisational structure. Accordingly, it is proposed to vary this job title to Service Lead – Regeneration, which is consistent with the organisational structure.

5. Legal and Procurement Implications

- 5.1 There are no legal implications arising from this report.
- 5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 *Fourth Tier (and below) Structural Arrangements*

6.1.1 The proposed changes to fourth tier structural arrangements will result in a total net saving of £300,736. However, as predicted, it is necessary to create additional capacity below fourth tier level, which will result in costs of £62,634, which reduces the saving to £238,102. Furthermore, a number of budget savings agreed at the Council meeting on 1 March 2018 assumed changes to fourth tier structures and the consequential areas included in this review of £140,144 (£63,554 from 2018/19 and £76,590 from 2019/20). Therefore, the net saving arising from this review is £97,958.

6.2 *Gaps in Staffing Resource*

6.2.1 It is proposed that the £62,688 cost of the new post of Strategic Co-ordinator (Children's Service Plan) is funded from the remaining net available £97,958 savings generated by the review of fourth tier arrangements.

6.2.2 It is proposed that the £54,006 cost of the new post of Team Leader (Community Asset Transfer) is initially funded from the £1 million Community Halls Fund.

6.3 *Housing Priorities*

6.3.1 It is proposed that the £58,205 cost of the new post of Co-ordinator (Housing New Build) is funded from the HRA Housing Capital Programme.

6.3.2 It is proposed that the £54,006 cost of the new post of Housing Asset Management Co-ordinator is funded from the HRA Budget.

6.4 *Overall Council Restructure Savings*

6.4.1 In terms of the overall saving achieved through the Council structural changes, the review of Chief Officer structural arrangements, approved on 14 December generated a saving of £348,907, which was approved as part of the 2018/19 General Services Revenue Budget. The subsequent review of Third Tier structural arrangements and Chief Officer administrative support generated a further £222,951. Therefore, including the £238,102 savings generated from the review of Fourth Tier (and below) arrangements, less the £62,688 cost of the new Strategic Co-ordinator post (Children's Service Plan), the total gross saving is £747,272.

7. Human Resources Implications

7.1 The proposed changes will be implemented in accordance with established Council's Framework for Managing Workforce Change. The net staffing impact is:

7.1.1 *Fourth Tier (and Below) Structural Arrangements*

	Current	Proposed	Net Reduction
Fourth Tier Posts	65.6 FTE	60.0 FTE	5.6 FTE

	Current	Proposed	Net Increase
Below Fourth Tier	9.0 FTE	10.0 FTE	1.0 FTE

7.1.2 *Integration of Procurement, Contract and Commissioning Services (HSCP/ Council)*

Pending completion of the review, there are no HR implications.

7.1.3 *Gaps in Staffing Resource*

	Current	Proposed	Net Increase
Children's Service Plan and Community Asset Transfer	0.0 FTE	2.0 FTE	2.0 FTE

7.1.4 *Housing Priorities*

	Current	Proposed	Net Increase
Housing New Build Programme and Housing Asset Management	0.0 FTE	2.0 FTE	2.0 FTE

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 While there may appear to be a risk arising from a reduction in managerial capacity, this is largely within back-office and support activities and any change in this respect will be mitigated by improved and streamlined systems and processes; better support data and intelligence allowing managers to be more empowered and self-sufficient; and anticipated changes at fourth tier level and below.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 Rejection of the recommendations will result in unnecessary costs and impact on the Council's ability to deliver the priority objectives of the new Council Plan.

9. Equalities

- 9.1 Equalities Impact Assessments (EQIAs) have been carried out on the proposals contained in this report, which identified no negative equality impacts. The EQIAs are attached as [Appendix 11](#).

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 'Effective Leadership that Promotes Fairness' and within that to the outcome 'Ensure the Council is structured to make the best use of resources'.

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 Douglas Campbell, Portfolio Holder for Corporate, Strategic and Community Planning, and the contents of this report reflect any feedback provided.
- 13.3 Consultation has taken place with officers whose remits are directly affected by the changes, and the proposals have also been shared with Trade Union representatives.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Chief Executive 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 August 2018	Chief Executive/ Head of Employee and Customer Services
Integration of Procurement, Contract and Commissioning Services (HSCP/ Council)	30 September 2018	Director - Place/ Director of Health and Social Care

Background Papers **Report to South Ayrshire Council of 5 October 2017 – [A Programme for Effective Governance 2017-22](#)**

Report to South Ayrshire Council of 14 December 2017 – [Review of Management Structure](#)

Report to South Ayrshire Council of 1 March 2018 – [Council Plan 2018-22](#)

Report to Leadership Panel of 13 March 2018 – [Review of Management Structure](#)

[Framework for Managing Workforce Change](#)

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