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**RESTRUCTURE ENABLING HEADS OF SERVICE**

Relevant Portfolio Holder	Cllr John Fisher
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering ( Exec Director)
Wards Affected	<b>All</b>
Ward Councillor Consulted	None specific
This report contains exempt information as defined in Paragraph(s) 1 and 4 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

**1. SUMMARY OF PROPOSALS**

- 1.1 To enable Members to consider a proposed restructure of a number of Heads of Service roles and responsibilities within the Finance and Resources Directorate.

**2. RECOMMENDATIONS**

- 2.1 **Executive Committee is asked to recommend to Full Council the approval of the business case for the restructure of the Directorate.**

**3. KEY ISSUES**

**Financial Implications**

- 3.1 Over the last 3 years officers have been reviewing the way they work and provide services to the customer using a systems thinking framework to transform service delivery. As part of this work a number of key financial principles have been developed to ensure that savings can be delivered to meet the current funding pressures that face the Authority whilst protecting key front line services that provide value to the customer. The principles are ;
- Reduce waste in a system ( Stop it now)
  - Design a new system to reduce waste and cost
  - Reduce the costs associated with enabling service provision rather than those that create the value to the customer.
- 3.2 In addition the system thinking framework enables the organisation to consider 3 levels of costs associated with services delivered ;
- Create Value – these are the costs to deliver front line service, those which create real value to the customer

- Add Value – these costs provide support to those services on the front line. They add value to the customer but do not directly deliver the service
  - Enable – there are a number of costs that relate to the enabling functions across the Council. These include the management and support services that provide advice and support to the services who add and create value.
- 3.3 As part of the financial principles officers have reviewed the ratio of the cost of the enabling and add value functions compared with those that create value with the aim to align resources to those that provide the most value to our customers. This has demonstrated that there is a significant cost associated with enabling and supporting the organisations.
- 3.4 The Council's Medium Term Financial Plan (MTFP) requires financial savings to continue to sustain services to the community. In addition the transformational work that has been undertaken across the Directorate has evidenced a need to link to strategic purpose, particularly the way the Council supports the customer through financial difficulties. The Business Case attached at Appendix 1 details proposals to realign the roles within the Finance and Resources Directorate to support the strategic purpose of supporting customers to financial independence whilst reducing the cost of enabling support services.
- 3.5 In reviewing the costs associated with the Heads of Service included in the review proposed there is a saving of £77k per annum which would be shared equally across the two Councils. In addition there is a potential cost of between £30k - £210k to provide for associated severance costs subject to redeployment opportunities that may be available.

**Legal Implications**

- 3.6 Redditch and Bromsgrove Councils have developed a Strategic Alliance/shared services arrangement referred to as the Shared Services Framework Agreement. The Shared Services Framework sets out the basis upon which both Councils have agreed to work together by way of shared teams working across both authorities.
- 3.7 The legal basis for the Strategic Alliance is Section 2 of the Local Government Act 2000 and in relation to staffing arrangements Section 113 of the Local Government Act 1972.
- 3.8 Under section 113 of the Local Government Act 1972, a local authority may enter into an agreement with another local authority for the placing at the disposal of the latter authority the services of staff employed by

the former authority. The staffing arrangements for the shared management team have been established under section 113 of the Local Government Act with each authority placing its employees at the disposal of the other. Therefore the decision to delete a post that sits within the shared service agreement is subject to the approval of both Councils.

- 3.9 The Head of Finance and Resources and Head of Customer Services posts both report to the Section 151 Officer and therefore are classed as deputy chief officers as defined in section 2 of the Local Government and Housing Act 1989. The deletion of these posts is therefore a Council decision as the officer employment procedure rules are the same in both councils and they are based on national legislation.
- 3.10 The report is exempt due to the fact that consultation is not due to commence until recommendation from Executive of the Business Case.

#### **Human Resources**

- 3.11 The delivery of the business case will necessitate a move towards new staffing structure. The proposed staffing structure is included in the business case for Member information only. Members are not being asked to approve or endorse this structure as it may change as a result of the staff and Trade Union consultation process.
- 3.12 If the proposed business case is recommended by Executive a period of consultation will commence with the affected staff and union officials. It is proposed that the comments / revisions to the current proposals are reported to Full Council in July. It is advised to Executive that there may be potential for redundancy as a result of the decision to deliver the business case.
- 3.13 If there is a formal decision by both Councils in July to proceed with this proposal, subject to any revisions during consultation, recruitment to the new structures will begin.
- 3.14 Officers have developed a robust and supportive organisational change policy and a number of other support mechanisms that will be available to all staff during this time. These policies have been agreed following discussion with Trade Unions representatives to ensure that all staff are supported during the period of shared services and transformation.

#### **Service / Operational Implications**

- 3.15 As detailed in the Business Case attached there is a need for a greater focus towards supporting the customer with providing advice on managing finances and supporting through financial difficulties. By

linking customer services with the revenues, benefits and assets this will deliver a more strategic and proactive approach to this strategic purpose. In addition the Organisational Development of the organisation links more closely with transformation as this is the key to making the continued cultural changes needed through transformational change and providing our services in a different way.

**Customer / Equalities and Diversity Implications**

- 3.16 The aim of the restructure is to focus the service delivered on the customer to ensure that support and advice can be made available in a proactive and individual way.

**4. RISK MANAGEMENT**

- 4.1 The main risk associated with the proposed structure is the reduced capacity to deliver support across the organisations. The Executive Director of Finance and Resources will continue to monitor the services provided using the measures that will be in place to ensure there is no impact on the services delivered to the customer.

**5. APPENDICES**

Appendix 1 – Business Case

**AUTHOR OF REPORT**

Name: Jayne Pickering – Exec Director Finance and Resources  
E Mail: [j.pickering@bromsgroveandredditch.gov.uk](mailto:j.pickering@bromsgroveandredditch.gov.uk)  
Tel: 01527-881400