

FALKIRK COUNCIL

Subject: COUNCIL SERVICE STRUCTURE
Meeting: FALKIRK COUNCIL
Date: 24 June 2009
Author: CHIEF EXECUTIVE

1. INTRODUCTION

- 1.1 Council will recall the decision taken on 4 March 2009 that a review of Service structures be progressed in consultation with employees and Trade Unions. As part of this decision, I was asked to report to Council as soon as possible and, in any event, before the summer recess.
- 1.2 This report provides an update on the consultation process and information on the way forward.

2. BACKGROUND

- 2.1 In undertaking the review, I worked within the remit agreed by Council, namely that:
- I take account of the changes in the Committee structures to ensure that the Council's decision making processes are open and transparent, with Members accountable for Council decisions;
 - The management structure should achieve a reduction in bureaucracy, greater efficiency and a greater concentration on the delivery of front line services;
 - The possibility of further integration of services and an expansion of use of internal shared services should be considered; and
 - Council policy, governmental and societal changes which have taken place since the last major review should be considered.
- 2.2 In addition, I made reference to the principles detailed in my previous report to set the context within which the review be conducted. For ease of reference, these are detailed below.
- There is a strong possibility that there will be improvements to service delivery;
 - Any changes do not contravene legislation but do promote best practice;
 - The outcomes of any change will achieve best value;
 - There is not another means of achieving the same improvement and outcome; and

- There has been detailed consultation with Trade Unions and employees on the options for change and the implications of these.

2.3 Initially, I have considered the functional areas within each Service. In undertaking this work, the starting point was to assess the current structure which is attached as Appendix 1. I also took into account the functions previously highlighted by either Elected Members or Corporate Management Team as areas which may benefit from service re-design. The structures within other Councils were also considered, as were those functions where legislative changes or other demands offered scope for change.

3. CONSULTATION PROCESS

3.1 A process of consultation on the options available in respect of functions has also been undertaken. The letter used for this purpose is attached as Appendix 2. This was made available to employees, Trade Unions and Group Leaders who were asked if they wished to submit any comments. Members will note that the letter did not provide a proposed structure, but instead asked for views on options for changing the structure within the remit and principles of the review. An example of where alignment may exist was however, detailed in the letter.

3.2 The consultation process was initially due to close on 20 April 2009 but due to strong Trade Union and employee representations, was subsequently extended until 15 May 2009. This ensured that the process was considered fair and transparent. A meeting was also held with Trade Union representatives on 1 May 2009 to discuss the consultation.

3.3 At the end of the consultation process, c125 comments were received in relation to the various options from a wide variety of respondents; some of who commented only on the areas in which they work whilst others chose to comment on areas with which they may be less familiar. Appendix 3 provides a summary of the comments.

3.4 As is detailed at Appendix 3, a variety of views were obtained on the example provided within the consultation letter. In some cases the comments were very detailed and provided a great deal of information which requires further consideration. In particular, those Trade Unions who responded, requested additional information on the options. They were particularly concerned about the employee related issues and requested further information on the implications of the changes in this regard.

3.5 As shown in Appendix 3, a number of respondents also made suggestions on options which could be considered as alternatives to those provided in the example. All such suggestions will now require to be considered in further detail.

4. NEXT STEPS

4.1 As detailed above, further work requires to be done on the issues raised during the consultation. In particular, the options highlighted in addition to those in the example must be investigated to determine whether there would be benefits to the

Council in implementing such changes. Such suggestions will also require further discussion with relevant employees and Trade Unions.

- 4.2 Given the comments made by the Trade Unions and some employees, it is clear that a number of individuals have concerns about what any change would mean for them. It is therefore important that the employee implications of any such changes are worked through and appropriate further consultation undertaken.
- 4.3 It is very important that due consideration is given to all such matters. This will help the Council to ensure that it has the most effective and efficient Service structure which is both fit for purpose and will stand the test of time given some of the pressures facing the Council.
- 4.4 In this regard, Members will also be aware of the significant financial pressures facing the public sector over the coming years. The specific implications of this are currently unknown and confirmation is awaited on the implications of this for the Council. It is important that such information is considered and any new structure is reflective of the Council's requirements in dealing with such issues. This is consistent with the remit agreed by Council for the review.
- 4.5 It would also be appropriate to advise Members that a few employees have approached the Council to request early or flexible retirement. Such requests have not as yet been agreed. They have however, highlighted that some employees may not be fully aware that they can request retirement of this nature under the terms of the Council's Flexible Retirement and Voluntary Severance Schemes. With this in mind and given the fact that timing is ideal to consider such matters within the context of a Service review, I intend to write to employees within certain areas of the workforce to determine whether they are interested in such an option. This will enable full consideration to be given to such requests and should ideally be done prior to finalising a proposed structure, as it may provide added flexibility in the shape of such a structure.
- 4.6 It should be noted that in circumstances where an employee applies for early or flexible retirement, there is no obligation on the Council to make an offer and equally if an offer is made, no obligation on the employee to accept the offer.
- 4.7 In light of the above, it is clear that further work requires to be undertaken before a proposed structure is presented to Council for consideration. I will report back on this as quickly as possible, ensuring that appropriate consultation takes place. As part of this consultation, I will of course re-assure Trade Unions and employees of the commitment Council provided in June 2008 in respect of employee relations implications. For ease of reference, these commitments included the following:
 - Job descriptions will be amended to reflect any additional or amended duties as well as changes in work remit or scope of responsibility;
 - Jobs will be graded appropriately using either a relevant method of job sizing or job evaluation as appropriate for the particular post;
 - Any impact of this on the overall pay structure will be addressed to ensure compliance with equal pay legislation;

- Appropriate consultation will take place in respect of the impact on any individual jobs or contracts of employment;
- Depending on the nature of the proposals for a revised Service structure, training and support be provided as necessary to ensure effective service delivery.

5. RECOMMENDATIONS

5.1 It is recommended that:

- (a) Council note:
 - (1) The feedback received from the consultation exercise on the review of Service structures;
 - (2) The further work required in considering the various comments and alternative options contained within the feedback;
 - (3) The further work required in reviewing the potential employee implications of any changes which are subsequently proposed to Council;
 - (4) The intention to write to employees to remind them of their options in respect of early and flexible retirement.
- (b) Council request a further report on the Service structures from the Chief Executive as soon as possible and once the outstanding work is complete.

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CHIEF EXECUTIVE

Date:

Ref: KA/MP

Contact Name: Mary Pitcaithly, Chief Executive, Extension 6002

LIST OF BACKGROUND PAPERS

None.

Appendices

1. Current Service Structure
2. Consultation Letter
3. Summary of Consultation Feedback

CURRENT SERVICE STRUCTURE

Chief Executive Office/Law & Administration					
<ul style="list-style-type: none"> • Head of Paid Service • Strategic Policy Advice • Clerk to Council • Clerk to Joint Boards • Election administration • Corporate Records 		<ul style="list-style-type: none"> • Democratic Services • Legal Services • Members' Services • Monitoring Officer • Printing Services • Registration Services 			
COMMUNITY SERVICES	CORPORATE & NEIGHBOURHOOD SERVICES	DEVELOPMENT SERVICES	EDUCATION SERVICES	FINANCE SERVICES	SOCIAL WORK SERVICES
<ul style="list-style-type: none"> • Cemeteries & Cremation Services • Community Education • Cultural Services • Library Services • Parks & Recreation • Sport & Leisure • Business Support • Strategic Projects • Employment & Training Unit • Asset Management 	<ul style="list-style-type: none"> • Housing • Building Maintenance • Homelessness Services • Estate Management • Private Sector Housing • Catering/School Meals • Cleaning • Facilities • Fleet Services • Grounds Maintenance • Refuse Collection • Street Cleansing • Waste Disposal • Procurement • Best Value • Communications • Community Planning • Corporate Policy • HR & Customer First • ICT 	<ul style="list-style-type: none"> • Building & Structural Design • Building Standards • Consumer Protection • Countryside Rangers • Development Planning and Management • Environmental Protection • Food & Workplace Safety • Licensing • Risk Management • Roads Design • Roads Maintenance • School Crossing • Transport Planning • Waste Strategy 	<ul style="list-style-type: none"> • Pre-five Education and Care • Primary Education • Secondary Education • Provision for Young People with Additional Support Needs 	<ul style="list-style-type: none"> • Accountancy • Internal Audit • Payroll & Pensions • Revenues • Treasury & Investment 	<ul style="list-style-type: none"> • Criminal Justice • Family Support • Home Care • Protection and support care of vulnerable children and young people • Residential Care • Services for vulnerable adults and people with disabilities • Housing with Care • Welfare Benefits Service

Enquiries to: Mary Pitcaithly
Direct Dial: 01324 506002
Date: 08 April 2009

To: All Service Directors
All Heads of Service
Recognised Trade Unions
Copy placed on intranet

Dear Colleague,

COUNCIL SERVICE STRUCTURE

As you may be aware, a decision was taken by Council on 4 March 2009 that a review of Service structures be progressed in consultation with employees and Trade Unions. As part of this decision I was asked to report back to Council as soon as possible and, in any event, before the summer recess.

Council set the remit for the review, as follows:

- The Chief Executive should take account of the recent changes to the Committee structures, ensuring that decision making processes are open and transparent, with Members accountable for Council decisions;
- The management structure should achieve a reduction in bureaucracy, greater efficiency and a greater concentration on the delivery of front line services;
- The possibility of further integration of services and an expansion of use of internal shared services should be considered; and
- Council policy, governmental and societal changes which have taken place since the last major review should be considered.

Council also agreed that the review should be conducted within the context of the following principles:

- There is a strong possibility that there will be improvements to service delivery;
- Any changes do not contravene legislation but do promote best practice;
- The outcomes of any change will achieve best value;
- There is not another means of achieving the same improvement and outcome; and
- There has been detailed consultation with Trade Unions and employees on the options for change and the implications of these.

The initial stages of the review considered the current Council structure, the structures in place within other Councils, functions which have been previously highlighted by either Elected Members or Corporate Management Team as areas which may benefit from service re-design and functions for which legislative change or other demands offer scope for change. I have attached, as Appendix 1, a copy of the current structure with areas which could be considered for possible change highlighted in red.

To assist consultees in considering where these functions might be placed in a future structure, Appendix 2 gives one example of where alignment may exist. As well as the possible changes to functional areas, you will note an option for a change to Finance Services which could become part of an enhanced Chief Executive Office. You will also note that some functions have been highlighted in italics. These functions could potentially be areas for which further internal shared service developments could be appropriate.

You will appreciate from the above and the Appendices, that this phase of the review has only looked at areas for potential change in respect of the overall Service structure and functions within these. It is important that we receive your feedback on these matters at this stage. Discussions and further consultation would take place on the management and other arrangements required to facilitate any structural changes which may be agreed by Council.

I would be grateful if you would consider the issues raised in this letter. Your views are an important part of the process and will be taken into account in the development of the report to Members. Council agreed that the report should be submitted as soon as possible. The next meeting of Council is on 29 April 2009. If I am to be able to report to that meeting, it would be helpful to have any feedback by 12 noon on 20 April 2009. Feedback can be submitted to me or to the Head of Human Resources, Karen Algie at karen.algie@falkirk.gov.uk.

Yours sincerely

A handwritten signature in black ink, appearing to read 'May Pitcairny', written in a cursive style.

CHIEF EXECUTIVE

APPENDIX 1 – CURRENT STRUCTURE

Chief Executive Office/Law & Administration	
<ul style="list-style-type: none"> • Head of Paid Service • Strategic Policy Advice • Clerk to Council • Clerk to Joint Boards • Election administration • Corporate Records 	<ul style="list-style-type: none"> • Democratic Services • Legal Services • Members' Services • Monitoring Officer • Printing Services • Registration Services

COMMUNITY SERVICES	CORPORATE & NEIGHBOURHOOD SERVICES	DEVELOPMENT SERVICES	EDUCATION SERVICES	FINANCE SERVICES	SOCIAL WORK SERVICES
<ul style="list-style-type: none"> • Cemeteries & Cremation Services • Community Education • Cultural Services • Library Services • Parks & Recreation • Sport & Leisure • Business Support • Strategic Projects • Employment & Training Unit • Asset Management 	<ul style="list-style-type: none"> • Housing • Building Maintenance • Homelessness Services • Estate Management • Private Sector Housing • Catering/School Meals • Cleaning • Facilities • Fleet Services • Grounds Maintenance • Refuse Collection • Street Cleansing • Waste Disposal • Procurement • Best Value • Communications • Community Planning • Corporate Policy • HR & Customer First • ICT 	<ul style="list-style-type: none"> • Building & Structural Design • Building Standards • Consumer Protection • Countryside Rangers • Development Planning and Management • Environmental Protection • Food & Workplace Safety • Licensing • Risk Management • Roads Design • Roads Maintenance • School Crossing • Transport Planning • Waste Strategy 	<ul style="list-style-type: none"> • Pre-five Education and Care • Primary Education • Secondary Education • Provision for Young People with Additional Support Needs 	<ul style="list-style-type: none"> • Accountancy • Internal Audit • Payroll & Pensions • Revenues • Treasury & Investment 	<ul style="list-style-type: none"> • Criminal Justice • Family Support • Home Care • Protection and support care of vulnerable children and young people • Residential Care • Services for vulnerable adults and people with disabilities • Housing with Care • Welfare Benefits Service

APPENDIX 2 – OPTIONS BEING CONSIDERED FOR CHANGE

- *Accountancy*
- Internal Audit
- *Payroll & Pensions*
- *Revenues*
- Treasury & Investment
- Risk Management

- Chief Executive Office**
- Head of Paid Service
 - Strategic Policy Advice

- Clerk to Council
- Clerk to Joint Board
- Election Administration
- *Corporate Records*
- Democratic Services
- Legal Services
- Members' Services
- Monitoring Officer
- *Printing Services*
- Registration Services
- *Licensing*

COMMUNITY SERVICES	DEVELOPMENT SERVICES	EDUCATION SERVICES	CORPORATE & NEIGHBOURHOOD SERVICES	SOCIAL WORK SERVICES
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Amber and italics = possible areas for shared services

SUMMARY OF CONSULTATION FEEDBACK

FUNCTIONAL AREA	SUMMARY OF RESPONSES RECEIVED
Community Education	Responses indicated that there was insufficient information to make an informed response. None of the responses received however, agreed with the proposal. Questions were raised over the impact on service delivery. The potential (negative) impact on inspections by HMle was also raised. There was some suggestion that there was a lack of management capacity within Education to assume responsibility for any part of Community Education and issues were raised over staff morale.
Countryside Rangers	The majority were against the transfer and questions were raised about the impact on the team's ability to meet legal responsibilities. There was a feeling that core services had a closer link with Development Services.
Economic Development	The majority of responses were supportive of the move, seeing a closer link to Development. There were however, a number opposing due to a lack of evidence of how this achieves best value or improves service delivery. It was also suggested that it may be beneficial to consult other partners on this proposal, especially in the current economic climate with the aim of ensuring any changes do not impact on the work of the team or distract them from the important issues they are currently addressing.
Facilities	A transfer of this team to Development was favoured given the clear service connections.
Finance	The main concerns raised were over the possible dilution of the Service with a preference for a stand alone Service. Trade Unions commented that there should be an independent Finance function lead by a chief officer with appropriate status and that the function should be separated from any Service interest.
Grounds Maintenance	There were mixed views with some suggestions that links between Housing be further considered. Trade Unions were opposed to a move of the whole function to Community Services, raising concerns about the potential impact on staff.

FUNCTIONAL AREA	SUMMARY OF RESPONSES RECEIVED
Areas for potential Shared Services	It was considered that this should be determined through a best value review.
Law & Administration	Concerns were raised over management resources and general staffing levels.
Licensing	All comments opposed any transfer of service as it was considered a regulatory function with no evidence that current arrangements don't work. There was also a suggestion that it would require additional management resources within Law & Administration and raised accommodation issues.
Risk Management	All comments received could see merit in a move to Finance unless there was an impact on staff.
Social Work	Responses welcomed the fact that this remained a stand-alone Service in the example provided.
Welfare Benefits	Mixed feedback was received, some thinking that the move was positive with others seeing a closer link with Finance. Other comments did not consider a need for change as it could impact negatively on service delivery.
Other Comments	<p>The following additional areas were also suggested as areas the Council may wish to consider:</p> <ul style="list-style-type: none"> ○ Option to move revenues to housing; ○ Question over corporate functions and their links with finance; ○ Suggestion that there may be other links between housing and development which could be further examined; ○ Thought that Corporate Policy could be part of Chief Executive Office; ○ Meals on Wheels may be better placed within Corporate & Neighbourhood; ○ Sign Factory may benefit from a change in Service.
General Comment	Where Unison was happy with proposals, it was on the basis that there was no impact on staff and conditions of service. There were a number of individuals who raised concerns over the short consultation period.