

AGENDA ITEM 9

FALKIRK COUNCIL

Subject: COUNCIL STRUCTURES
Meeting: FALKIRK COUNCIL
Date: 25th June 2008
Author: CHIEF EXECUTIVE

1. INTRODUCTION

- 1.1 Council resolved on 5 December 2007 to commence a review of Service and Committee structures, with initial options for carrying out such a review being presented to Members in January.
- 1.2 A report was submitted to Policy and Resources Committee in January 2008, when Members established a Working Group to consider the review and also approved a number of interim arrangements to allow service delivery to be maintained pending its completion.
- 1.3 This report sets out the discussions which have taken place at the Working Group.

2. BACKGROUND

- 2.1 The Working Group was established with the following remit:
 - To review the Council's current Committee Structures, taking into account;
 - Principles of effective decision making;
 - Available guidance on Committee structures;
 - Best practice and other decision making models;
 - Any advice contained within the Council's Best Value and Community Planning Audit; and
 - The work and remit of community engagement arrangements i.e. Area Forum and Community Councils.
 - To review the Council's current service structures by investigating options with regard to management arrangements, taking into account:
 - Service delivery and continuous improvement;
 - Cost implications;
 - Human resource implications;
 - Employee relations and the potential impact of changes on contracts, grades and conditions of service; and
 - Employment legislation.

- 2.2 The Working Group met on 4 occasions and considered a number of issues. These ranged from decision making structures adopted by other Councils, call in and referral procedures within the existing structures, the role of co-optees, the role, remit and constitution of Audit Committees, as well as the recently published Best Value and Community Planning Audit of the Council. The Working Group also considered the principles surrounding the review of Services and agreed that discussions on Community Engagement structures should take place in a suggested second phase of the review.
- 2.3 This report sets out some of the issues raised by Members of the Working Group with regard to the current structures of the Council.

Council Committees

- 2.4 The main focus of discussions at the Working Group was the work of Scrutiny Committees and the Best Value and Audit Forum. A number of issues were discussed. These included:
- The varying workloads of Committees;
 - The number of Committees;
 - The powers of Scrutiny Committees to take decisions;
 - The requirement for some Services to report to several Committees;
 - Other Councils structures including Cabinet models, Service Committees etc; and
 - The Audit Scotland Report on Best Value and Community Planning, and in particular, references to the Council's decision making and scrutiny processes.
- 2.5 In addition to considering the remits of Committees, Members considered the decision making powers of Scrutiny Committees. It was suggested that consideration be given to augmenting that decision making role and, in particular, empowering Scrutiny Committees to take decisions on issues that do not materially alter Council policy, or involve additional resources or changes to the establishment. This would mean that Scrutiny Committees could take certain decisions on funding and respond to consultation documents.

Audit Committee

- 2.6 Members will be aware that the Council's Auditors and the Best Value Audit noted the role Best Value and Audit Forum plays in scrutinising the performance of the Council. However the Accounts Commission's findings, published in the Report on Best Value and Community Planning, noted that 'the Council should review its approach to scrutiny to ensure that the Best Value and Audit Forum meets in public in accordance with the principles of accountability and openness'. As such, Members will have to consider this issue in agreeing a response to the Best Value Audit report.
- 2.7 Existing arrangements for the Best Value and Audit Forum have been in place for a number of years. Given criticism from Audit Scotland relating to a failure to meet in public, and taking account of CIPFA/SOLACE 'Audit Committee Principles in Local Authorities in Scotland' guidance, Members may now wish to consider the adequacy and appropriateness of current arrangements. The options for change which were considered include:

- Continuing with the current arrangements;
 - Continuing with current arrangements, but formally constituting the Best Value and Audit Forum as a Council Committee. The Committee would meet in public, although certain items may be taken in private, but only if they contain exempt information as defined by Statute;
 - Establishing an Audit Committee, meeting perhaps 2 or 3 times per year and constituted within the Council's Standing Orders, to consider matters relating to audit and risk management and having terms of reference in line with suggested CIPFA/SOLACE guidance, and continue with the BVAf (or equivalent) to consider service planning and performance.
- 2.8 As part of the Working Group's deliberations Members considered the option of including audit items within the remit of Policy and Resources Committee. This had been the Committee that considered such items prior to 2003, when the Council's Auditor highlighted the need to establish separate arrangements in order to focus on issues set out in the CIPFA/SOLACE guidance. It was accordingly not considered best practice to give the role to Policy and Resources Committee.
- 2.9 Since the Working Group discussed the role and function of Audit Committees, I have received a draft report on Corporate Governance from the Council's External Auditor. While noting that the Best Value and Audit Forum satisfies many of the principles set out in the CIPFA/SOLACE guidance, it does again highlight the need for improvements in a number of areas including:
- Improving openness, transparency and accountability;
 - Revising the terms of reference to reflect all expected Audit Committee functions; and
 - Training for Members in Audit principles etc.

Time and Arrangements for Committees

- 2.10 It was noted that Council took a decision earlier this year to change the start time of the Education and Leisure and Regulatory Committees following recommendations from those Committees. This has resulted in Members considering the protocol for setting times of Committees. It has been the practice in Falkirk Council to start Committees at 10.30am. This has ensured that the public and press always know when a Committee will start and can plan to attend a meeting well in advance. This is certainly critical to ensuring the Council's decision making is open and transparent. However, provided the timing of meetings is properly advertised, the actual start time is for Members to decide.
- 2.11 Following discussion at the Working Group, it was agreed that Officers would survey Members to ascertain their preferences regarding start times for Committees. Further information on the outcome of that survey will be given at Council.

Number of Members on Committees

- 2.12 Currently each Scrutiny Committee has 12 Members. This means that a number of Members sit on multiple Scrutiny Committees and other Committee and Boards.

- 2.13 Being a Member of several Committees provides Members with a broad understanding of a range of issues across the Council. However it carries with it a considerable workload. Moreover the introduction of multi Member wards has led to an increase in Members workload and in the number of external meetings such as Community Councils, etc in which they are involved.
- 2.14 The Working Group discussed a number of issues with regard to this matter. These included:
- Time spend by Members at Committee;
 - The remits of Committees; and
 - Whether there would be any benefit in reducing the number of Members on each Scrutiny Committee.
- 2.15 While the workload of Members was acknowledged, there was no consensus at this stage that reducing the number of Committees or the members sitting thereon was necessary. It was mooted, however, that Members may wish to review the Scrutiny Committee remits to better reflect linkages between areas of work and to recognise experience within the Committees since their inception.

Call in / Referrals

- 2.16 Members of the Working Group discussed the current call-in and referral procedures. The consensus was that referrals and the power of call in are necessary in order to promote robust scrutiny. It was noted, however, that there were instances where issues were still being discussed several months after the original reports had been presented to Scrutiny Committees.
- 2.17 As Council will be aware, there are rights of call in from Scrutiny Committee and from Policy and Resources Committee to Council where there has been a division at the original meeting. This could lead to delays in decision making where a matter has been considered at Scrutiny Committee in the first instance and then referred to Policy and Resources and then called in to Council.
- 2.18 Accordingly the current decision making structure allows for a three tiered process for the consideration of specific items of business, especially those which have a policy or resource implication for the authority and Members may consider this to be excessive.
- 2.19 The following options were among those put forward for Members consideration with regard to call-in and referrals.
1. Retain the current process whereby a decision can be referred to Policy and Resources Committee and then called in to Council;
 2. Allow Scrutiny Committees to respond directly to consultation papers etc, within their remit, subject to the existing powers of call in if there was a division. The power of call in from a Scrutiny Committee could be changed from going to Council to going to Policy and Resources Committee. If that change was made then Members may wish to consider whether the item could thereafter be called into Council or whether the right of call in would be exhausted at Policy and Resources Committee;

3. Allow Scrutiny Committees to take decisions on the allocation of resources where these can be met within existing budgets or within current establishments;
 4. Set criteria for determining the time limits for decisions e.g. if there is a deadline for a decision to be made then a report cannot be called in after the deadline has passed;
 5. Amend Standing Orders to allow Scrutiny Committees to take decisions on issues that do not change or materially alter Council policy, or involve additional resources or changes to the establishment.
- 2.20 It was also suggested that the business of Council could be dealt with more effectively if there were regular meetings between Group Leaders to identify any areas of consensus and agreement prior to issues being raised at Council.

Co-Optees

- 2.21 At the Working Group the issue of co-optees was discussed. The Council's current decision making structure includes arrangements for the appointment of co-opted /non elected members to Education and Leisure Committee. These arrangements arise partly through statutory dictat and partly by the Council's own choice. The following options were discussed by the Members of the Working Group.
1. Continue as is, with co-optees only on Education and Leisure Committee.
 2. Allow each Committee to make its own decision on co-optees, per the motion to Council in December 2007. Guidance would need to be prepared to give a framework for such appointments if this option is favoured.
 3. Each Committee would be able to invite representatives from other organisations to attend Committee to answer questions and offer expert opinion, but not be part of the decision making process.
- 2.22 Following discussion at the Working Group with regard to option 2 above, it was suggested that any co-optees (other than those appointed by statute to the Education and Leisure Committee) would not have voting rights at Committee and their numbers would be limited to two per Committee.

Community Engagement

- 2.23 The Working Group agreed that the issue of community engagement i.e. Area Forums etc, could be looked at in a second phase of the review. There has therefore been no discussion on this issue to date.

3. SERVICE STRUCTURES

- 3.1 In undertaking its remit, the short life Working Group had some discussion on Service structures at its final meeting. Firstly, the Group considered the principles against which any structural changes should be recommended. In particular, it was suggested that recommendations should only be made where:

- There is a strong possibility that they will result in improvements to service delivery;
 - We are not contravening any legislation by making the changes and we are promoting 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.
- 3.2 This final point is significant in any exercise involving structural changes. Any changes of this nature are likely to result in amendments to job descriptions, grades, responsibilities and essentially the employment contracts of employees. It would potentially create significant issues if such changes were to be made without proper consultation. Not only does proper consultation represent best practice but more importantly, it ensures the Council engages with employees and demonstrates the value it has in their views. Ultimately this supports the Council in maintaining a motivated workforce with high quality employees who deliver excellence in service for the Council.
- 3.3 The Working Group did, however, consider the interim arrangements and received feedback on progress being made in this regard. The Working Group noted that in respect of the changes to the Housing and Social Work Service, this has proved beneficial to senior managers within the Service allowing them to concentrate on the Social Work related functions of the Service without the need to direct already tight resources into the Housing Service.
- 3.4 As agreed by Council, the interim arrangements moved the Housing Service into Corporate and Commercial Services on a temporary basis pending receipt of my recommendations. This change appears to have been successful with the Housing Service being integrated with the Building Maintenance Service. Building Maintenance provides a repair and maintenance service for all housing stock. Prior to the changes to CCT legislation, it was necessary to keep both service areas separate. This position has now changed and former CCT services can now be integrated in such a way as to allow the 'contractor' and 'client' split to be reviewed. This helps avoid any duplication, allowing resources to be more effectively used in the delivery of the functions. For Housing Services, this is resulting in improvements in the Service which in turn means a better service for tenants. For example, improved re-let times for void houses as well as the establishment of inspect and repair services and the repair by appointment service; both of which will minimise inconvenience to tenants.
- 3.5 I would propose that, in light of the success of the interim arrangements and the benefits they have had for both Housing Services and Building Maintenance, and separately for Social Work Services, the Housing Service and the Building Maintenance Service be integrated on a permanent basis. I would also propose that the job descriptions for both the Director of Corporate & Commercial Services and the Director of Housing & Social Work Services be re-designed to reflect this change. I will address the issues of posts below Director level further on in my report.
- 3.6 Council will also recall the interim change to the Roads function which brought together both the 'client' and 'contractor' parts of the Roads function in order to provide some added capacity within Corporate & Commercial Services to accommodate the change of arrangements for Housing Services.

- 3.7 I am advised by both Services that the interim arrangements have enabled consideration to be given to making the Roads function more effective by building on the working arrangements which already existed between both parts of the function. In addition, the change has allowed some limited capacity to be released within Corporate and Commercial Services to enable Housing Services to be managed effectively.
- 3.8 With this in mind, I propose that the 'contractor' part of the Roads function be moved on a permanent basis to Development Services and integrated with the 'client' part of the function and that the job descriptions of each Service Director be re-designed to accommodate this change. Posts below this level on the structure are considered below.
- 3.9 Attached as Appendix 1 is a copy of the current structure chart with Appendix 2 showing the revised structure if these changes are approved.

Impact of Recommendations

- 3.10 If approved, the above recommendations will have an impact on other posts across the Council. For example, Housing Management Services is currently being managed on an interim basis by the Head of Facilities Management. The post of Head of Housing Management remains vacant at this point in time. If Housing is integrated within Corporate & Commercial Services there is a need to consider the revised structure for the Service to accommodate this move. This is within the context of the posts of Head of Estates Management and the Head of ICT, both based within Corporate and Commercial Services, currently being vacant and requiring consideration.
- 3.11 In considering the transfer of Roads to Development Services, there is a need to review this in the context of there being three vacancies within this Service at Head of Service level, namely: Head of Environmental and Regulatory Services, Head of Roads and Design Services and Head of Planning and Transportation. Given the flexibility the three vacancies present, it is important that careful consideration is given to the options available.
- 3.12 Given the vacancies in two of the affected Services, there remains a degree of flexibility as to how the changes, if approved, can be implemented within each of the Services. Whilst initial and brief discussions have taken place with both the Directors and Trade Unions on the principles of the recommendations, it was felt inappropriate at this stage, without approval from Council on the recommended structural changes, to enter into detailed discussions on how these may be implemented and what this means for each employee affected.
- 3.13 As such, I would propose at this stage that Council give consideration to the recommendations on the interim arrangements being made permanent as detailed above and receive a further report outlining more detailed proposals on implementation and the employee implications once more discussions have taken place with both Trade Unions and employees affected by the changes.
- 3.14 If the above approach is approved, a further report outlining detailed proposals will be submitted to a future meeting of Council following the period of consultation with Trade Unions and employees. This will include proposals in respect of Chief Executive Office/Law & Administration Services and any other areas identified during the consultation period.

Employee Relations Implications

- 3.15 Whilst I have not gone into the detail of the implication of the changes for employees, Council will recognise that any such changes will require amendments to be made to employee job descriptions, work remits and scope of responsibility. Initial discussions with the Trade Unions clearly indicate that they will be expecting, as I am sure Council would, best practice to be followed in respect of all employee relations matters. This will include job descriptions being amended to properly reflect the new additional duties and responsibilities, re-designed jobs being properly graded and appropriate consultation being undertaken. The re-grading of re-designed jobs is also in line with equality legislation on which significant work has already been done to ensure the Council moves towards an equality proofed pay and grading structure. If any posts changed as a result of the structure review were not properly re-graded to take account of the changes in remit there are potentially significant risks in respect of equal pay. For Scottish Joint Council (SJC) employees, jobs can be re-graded using the SJC Job Evaluation Scheme for which a revised pay structure has already been agreed and which takes account of equality legislation. In the case of Directors and Heads of Service, the original grades were established in 1995 prior to re-organisation. They do not necessarily take account of current remits and responsibilities of these officers. To ensure an equality proofed pay structure which takes account of the current remits as well as the recommended changes in structure, it is proposed that the overall pay structure against which Directors and Heads of Service jobs are matched be reviewed and all such jobs be re-assessed against this structure to ensure compliance with equal pay legislation and recognition of current roles and responsibilities. In recommending this, it should be clarified that the outcome of such an exercise may result in the grade of posts going down as well as up or staying the same. It is also recommended that any changes to grades within this structure be implemented at no additional cost to the Council with the overall exercise aiming to be cost neutral.
- 3.16 Whilst it may be seen as more appropriate to consider such matters once further consultation has been undertaken with Trade Unions, it is important that I am in a position to provide the Trade Unions with confirmation of Council's position on such matters as this may influence the Trade Union and employee response on the options for implementing the changes. I believe it would be inappropriate to ask the Trade Unions to agree on options for implementation without the normal safeguards and good practice in respect of employee relations being in place such as revised job descriptions, re-gradings and appropriate consultation, which would normally be in place as part of any service review which impacts on jobs and employees' contracts of employment.
- 3.17 Depending on the nature of the options for implementation, training and support will also require to be considered as will a communications strategy and accommodation issues.

4. CONCLUSIONS

- 4.1 As detailed above, I will also report back to Council following a period of detailed consultation, with recommendations on the implementation of the structural changes. These recommendations will take account of comments made by Audit Scotland in respect of future management capacity to drive forward the excellent work achieved to date as well as new initiatives.

- 4.2 Equally, I consider it essential to follow best practice in respect of the employee relations implications as detailed above, to ensure we maintain a motivated workforce with high quality employees who deliver excellence in service for the Council and to be able to provide the Trade Unions and employees with the re-assurance they would expect on such issues.

5. RECOMMENDATIONS

Members are invited to consider the following recommendations regarding Committee/Decision and Service Structures;

- 5.1 **whether to make changes to the Committee structures of the Council or the Scheme of Delegation in respect of any of the matters highlighted in Section 2 of the report;**
- 5.2 **the integration of Housing Services within Corporate and Commercial Services' structure as outlined above and the re-design of the respective Directors' posts;**
- 5.3 **the integration of the client and contractor parts of the Roads function within Development Services' structure and the re-design of the respective Directors' posts;**
- 5.4 **to receive a further report outlining proposals for the implementation of these and any other structural changes following the period of consultation outlined in the report; and**
- 5.5 **to a commitment being provided to Trade Unions and employees on the employee relations issues outlined in paragraphs 3.15 to 3.17.**

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CHIEF EXECUTIVE

Date: 23 June 2008

Ref: ABK608FC

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LIST OF BACKGROUND PAPERS

Working Group Papers (Not for publication on the basis that they include exempt information)

CURRENT STRUCTURE CHART

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

Community Services	Corporate & Commercial Services	Development Services	Education Services	Finance Services	Housing & Social Work Services
<ul style="list-style-type: none"> • Asset Management • Cemeteries & Cremation Services • Community Education • Cultural Services • Economic Development • Employment & Training Unit • Library Services • Parks & Recreation • Sport & Leisure 	<ul style="list-style-type: none"> • Best Value • Building Maintenance • Catering/School Meals • Cleaning • Communications • Community Planning • Corporate Policy • Energy Management • External Funding • Fleet Services • Gas Maintenance • Grounds Maintenance • HR & Customer First • ICT • Modernising Gov't • Procurement • Refuse Collection • Research & Information • Roads Maintenance • Street Cleansing • Waste Disposal 	<ul style="list-style-type: none"> • Building & Structural Design • Building Standards • Consumer Protection • Development Planning and Management • Emergency Planning • Environmental Protection Management • Food & Workplace Safety • Licensing • Roads and Design • School Crossing • Transport Planning • Waste Strategy 	<ul style="list-style-type: none"> • Pre-five Care • Pre-five Education • Primary Education • Provision for Young People with Additional Support Needs • Secondary Education 	<ul style="list-style-type: none"> • Accountancy • Internal Audit • Payroll & Pensions • Revenues (Council Tax, Non Domestic Rates, Rents, Debtors, Benefits) • Treasury & Investment 	<ul style="list-style-type: none"> • Community Advice • Criminal Justice • Family Support • Home Care • Homelessness Services • Housing & Estate Management • Private Sector Housing Services • Protection and support care of vulnerable children and young people • Residential Care • Services for vulnerable adults and people with disabilities • Sheltered Housing • Welfare Benefits Service

REVISED STRUCTURE CHART

Chief Executive Office/Law & Administration					
<ul style="list-style-type: none"> • Clerk to Joint Boards • Clerk to Council • Corporate Records Manager • Democratic Services • District Court • Election administration • Head of Paid Service • Legal Services • Members' Services • Monitoring Officer • Printing Services • Registration Services • Strategic Policy Advice 					
Community Services	Corporate & Neighbourhood Services	Development Services	Education Services	Finance Services	Housing & Social Work Services
<ul style="list-style-type: none"> • Asset Management • Cemeteries & Cremation Services • Community Education • Cultural Services • Economic Development • Employment & Training Unit • Library Services • Parks & Recreation • Sport & Leisure 	<ul style="list-style-type: none"> • Best Value • Building Maintenance • Homelessness Services • Housing & Estate Management • Private Sector Housing Services • Catering/School Meals • Cleaning • Communications • Community Planning • Corporate Policy • Energy Management • External Funding • Fleet Services • Gas Maintenance • Grounds Maintenance • HR & Customer First • ICT • Modernising Gov't • Procurement • Refuse Collection • Research & Information • Street Cleansing • Waste Disposal 	<ul style="list-style-type: none"> • Building & Structural Design • Building Standards • Consumer Protection • Development Planning and Management • Emergency Planning • Environmental Protection Management • Food & Workplace Safety • Licensing • Roads Design • Roads Maintenance • School Crossing • Transport Planning • Waste Strategy 	<ul style="list-style-type: none"> • Pre-five Care • Pre-five Education • Primary Education • Provision for Young People with Additional Support Needs • Secondary Education 	<ul style="list-style-type: none"> • Accountancy • Internal Audit • Payroll & Pensions • Revenues (Council Tax, Non Domestic Rates, Rents, Debtors, Benefits) • Treasury & Investment 	<ul style="list-style-type: none"> • Community Advice • 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 • Sheltered Housing • Welfare Benefits Service

