

ABERDEEN CITY COUNCIL

COMMITTEE	Education and Children's Services
DATE	29 January 2014
DIRECTOR	Gayle Gorman
TITLE OF REPORT	Organisational Review (Phase 3)
REPORT NUMBER:	ECS/15/004
CHECKLIST COMPLETED:	YES

1. PURPOSE OF REPORT

The purpose of the report is to further develop the organisation structure approved by the Council on 20th August 2014 by reporting changes to the organisational structure of the third tier level and related teams.

The report provides the platform for the third and final stage of the restructuring process, which will deal with structural arrangements below second tier level.

2. RECOMMENDATION

It is recommended that the Committee:

- a) Notes the third tier structural model as set out in Appendix 2
- b) Instructs the Director to begin the statutory processes for transfer of Sports function and posts (4)*¹ to Sport Aberdeen.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications from phase 3 of the restructuring.
- 3.2 Any relevant budgets related to the Sports function will transfer to Sport Aberdeen, following due process.

4. OTHER IMPLICATIONS

- 4.1 Work will be required to be undertaken regarding the formal and legal TUPE process in relation to Sport function.
- 4.2 The Aberdeen City Sports Partnership will take a greater responsibility for sport development, strategy and evaluation.

¹ The number of posts may be reduced to 3 as the Community Sports Hub Development Manager post is dependent on sportscotland investment continuing. This post is currently a fixed term secondment until March 31st 2015.

There will be legal implication in terms of the review and redrafting of the existing agreement with Sport Aberdeen, this will be addressed as part of the cycle of review.

The transfer of the activities referred to in this report and the posts that deliver these activities are considered to be subject to TUPE regulations and consequently will require the input of the HR and legal services.

5. BACKGROUND/MAIN ISSUES

5.1 The Council approved an amended top tier structure at its meeting of 14 May 2014. In essence this resulted in a five Director model being replaced by a '3+1' model i.e. three substantive posts of Director and a shared Chief Officer post with NHS Grampian to manage the nationally driven integrated agenda for the NHS and Social Care.

5.2 The Council approved an amended tier 2 structure at its meeting on the 20th August 2014. This outlined the Structure of Heads of Service across the council and delegated authority to directors to design third tier structures and report back to respective committee on these structures.

5.3 The third tier structure has been underpinned by the same nine principles which were used to develop phase 1 and 2 proposals. These are attached as Appendix 1 to this report.

5.4 Clearly the same internal and external drivers for change which acted as catalysts for phase 1 and 2 proposals have been similarly influential during phase 3. These were described in detail within the phase 1 report and can be summarised as follows:

5.4.1 External drivers for change

- The Children and Young People (Scotland) Act 2014
- The Public Bodies (Joint Working)(Scotland) Act 2014, and
- The Community Empowerment Bill (2014)
- The Scottish Government Procurement Reform Bill (2014)

5.4.2 Internal drivers for change

- The financial landscape
- The 'Smarter City' vision and the six strategic priorities
- The need to embrace more fully a 'Group structure' approach and to ensure that the Council's relationships with its 'arms length' organisations are affected positively by actions and 'behaviours' consistent with a willingness to collaborate
- The continuing drive to instill a high performance culture in the organisation, and
- The feedback generated by the 500 staff who responded to the first phase of the exercise. A number of common themes emerged from this consultative process, including the need for:
 - Greater integration, joined up working and collaboration
 - Co-location of related services
 - Clear lines of accountability and responsibility
 - Structure and processes which allow for the free flow of work and sharing of resources

- Role clarity
- The adoption of a 'one team' mentality
- Cognisance to be taken of the national picture
- Visible management.

5.5 Wider Organisational Development Context

5.5.1 Whilst amendments to the organisational structure are being proposed for sound reasons and will, it is believed, lead to tangible and sustainable improvements to the way in which the Council operates and performs, the challenges facing the organisation in the medium to long term will require an unprecedented level of transformational change and the organisational development underpinning this transformation will involve much more than structural change and re-alignment.

5.5.2 The restructure process is designed to align the organisation's functions in a more logical, efficient and collaborative manner. However, fundamentally these functions are performed by people; people whose behaviours, relationships and ways of working form the culture of the organisation – or contribute to a series of sub-cultures which ultimately make up the whole.

5.5.3 Irrespective of the way functions are realigned, if the behaviours and culture remain the same the impact of any realignment will be less pronounced than it could have been. The restructure therefore needs to be underpinned by commitment to a fundamental change in the way people think and perform at work. A culture and appetite for high performance and outcomes delivery is what we aspire to and through this appetite it is hoped to create a prevailing attitude of willingness to innovate and do things differently in order that the present workforce are the architects of future service delivery.

5.5.4 This, in turn, needs to be based on a well-articulated and widely understood vision (an integrated and coherent approach to implementing this vision and a genuine acceptance of the organisation's behaviours at all levels in terms of the requirement for:

- Open, honest and frequent **communication**
- A **customer focused** approach which places customers at the heart of what we do
- High standards of **professionalism**
- **Respect** for others and promoting equality through fairness and consistency in our approach.

5.5.5 And managers who:

- Accept the need for transformation and encourage **creativity** and innovation in the way we deliver our services
- **Engage** with employees, involve them in decisions which affect them and encourage their full contribution and participation
- Plan services and make decisions which **focus** on an effective and sustainable **future** rather than on short term views
- Provide genuine **leadership** and direction
- Have a **collaborative** mindset – enabling constructive dialogue and joint working with partner organisations. In particular, the aforementioned desire to more fully develop and capitalise on the advantages of a 'Group structure' approach will be enabled by this particular mindset.

- 5.5.6 In addition systems need to be in place which integrate the above into day to day working life, which set out clearly what people are accountable for and will be held accountable against, while at the same time providing the necessary support and development.
- 5.5.7 A good start has been made in relation to embedding the Council's core behaviours at all organisational levels but there is much more to do. In order to fulfill the aforementioned aspirations, the Council requires to attract, select, develop, promote, reward and engage employees who exhibit and advocate our core behaviours. The actions in place, and planned, in order to achieve this will be reported on later in the year within the Council's updated Corporate Workforce Plan.

5.6 Proposed third tier structure for Education and Children's Services Directorate

- 5.6.1 Appendix 2 sets out the third tier structure, for Education and Children's Services Directorate.

5.7 Education and Children's Services

- 5.7.1 Our vision for Children's Services is to put the child and the family at the heart of all we do, to deliver the Scottish Government's pledge to make Scotland 'the best place in the world to grow up' and for Aberdeen to be the best city in Scotland for children to grow up in.

In order to deliver effective services for children we need to ensure we all share common principles:

- Our service is the champion for all children in Aberdeen and an active advocate on their behalf
- The United Nations Convention on the Rights of the Child drives all we do
- Children and their families are lead partners in all we plan, deliver and support
- The voice of children and their families is actively sought, listened to and acted upon
- The wellbeing of children is central to all and is at the heart of 'getting it right for every child'
- We aim to improve outcomes for all children and in particular to improve outcomes for vulnerable children in Aberdeen
- We are committed to an integrated service that works as a team in the best interests of children and their families.

5.7.2 Children's Social Work

The Children's Services function, formerly in Social Care and Wellbeing, has moved across to Education and Children's Services as a total service and been renamed Children's Social Work. This service is currently undergoing a whole service redesign and transformation and is moving into the Reclaiming Social Work Model (RSW) of systemic practice. We have been involved in an Integrated Children's Services Inspection which will report in February, in order to address any outcomes from the inspection, no changes are planned to front line services within the existing Children's Services structure until this has been concluded, apart from the alignment of the Business Support Social Work function to the Policy Performance and Resources Service, to align business support services into one area. We will then implement a phased introduction of the RSW model across the city.

5.7.3 Education Services

The structure is designed to deliver improved outcomes by aligning the teams into more focused areas on quality improvement and in providing support and development.

5.7.4 The phase 2 restructure paper approved by Council on the 20th August 2014, contained a number of detailed proposals relating to tier three structures in Education Services, as in order to recruit to senior posts further detail was required at that time.

5.7.5 Within the tier 3 structure we have aligned a number of teams to ensure greater synergies and improve delivery of services.

We have taken account of feedback from staff engagement in relation to the alignment and reporting for a number of teams in this area. These changes are outlined below:

- Aligned the Reading Bus team with the Lead Officer (ESO) for literacy
- The existing Learning Technologies team has been renamed Education ICT as the primary role of this team is to provide support to schools and staff in all sectors in their use of ICT in delivering the curriculum. This includes working in schools alongside teachers on specific ICT projects, working in conjunction with curriculum development officers to support specific curriculum areas, and providing CPD to staff on using ICT to enhance the curriculum. This team will now report to the Service Manager Curriculum and Support.
- The post of the Development Manager, Performance and Commissioning, will remain within the Communities, Housing and Infrastructure.

5.7.6 **Inclusion**

This is a new service reporting to the Director of Education and Children's Services. The key responsibilities of the service will be to lead and manage the implementation of the Inclusion Review and ensure delivery of service for children and young people with Additional Support Needs.

We have taken account of feedback from staff engagement in relation to the alignment and reporting for a number of teams in this area. These changes are reflected in the structure. We have taken the opportunity to realign the TASSCC team within the inclusion service.

- The TASSCC service is responsible for providing specialist ICT hardware and software to individual children, to help them to access the curriculum. The service carries out assessments of children with additional support needs, and provides the most appropriate specialist equipment and software for use by those individual children. The service works directly with staff in schools to carry out assessments and provides follow up support to children in their use of the equipment. TASSCC also provides CPD to staff on working with the most common types of equipment and software it has deployed in schools. Therefore the TASSCC team will be aligned into the inclusion service, directly reporting to the Service Manager Universal/Targeted services to ensure alignment of resource/specialist equipment to children at the point of need.

5.7.7 **Policy, Performance and Resources**

The Policy, Performance and Resources (PP&R) Service contains the strategic and logistical elements required to support delivery across the Education and Children's Services Directorate. The majority of the service will mainly remain unchanged, covering

service finance, performance monitoring, data systems and analysis, business support and continuity, asset and estate management and workforce planning across the Directorate.

We have taken account of feedback from staff engagement in relation to the alignment and reporting for a number of teams in this area. In particular, reflecting feedback from colleagues in the business support teams and ICS staff. These are outlined below:

- Currently there are business support functions in both Education, Culture and Sport and Social Care and Wellbeing. Both these support units will continue under the new structure, in the PP&R service.
The Business Support Unit for Social Work will remain closely linked into the Head of Service: Children's Social Work to ensure professional oversight and supervision of statutory elements. The unit will retain central Social Work functions and management information systems across both ACC and the Joint Accountable Board, retaining professional oversight for these areas with the Chief Social Work Officer.
- The Integrated Children's Services partnership team would move to the PP&R service in order to align support and information for partners across the Directorate. This team will report directly to Service Manager Performance and Quality Assurance.
- The Family Information Service team will move to the PPR service in order to work closely with the ICS partnership team, to ensure effective communication with parents and families. This team will report directly to the Service manager Performance and Quality Assurance.

5.7.8 Sport

The proposal for sport contained within the tier 2 restructure paper instructed the '*Director to review sports functions, currently undertaken by the ECS Directorate.*' We have engaged extensively with the members of staff concerned and their unions, holding individual meetings, group discussions and taken account of their views at engagement events and subsequent submissions and have concluded the review of the sport functions by an acting Head of Service. (Appendix 3).

The report recommends that the activities that currently form the duties of the four posts within the Education, Culture and Sport Directorate should transfer to Sport Aberdeen. This reflects the need for increased partnership development in the city and the need to embed sports development at the heart of the city wide sports partnership.

The functions identified to transfer to Sport Aberdeen, which are currently the responsibility of the ACC Sports team, are outlined below:

- Lead responsibility for Aberdeen City sports and physical activity strategy
- Develop strategic and operational direction on sport and physical activity reflecting national and local policies and best practice
- Support partnership development and relationship management on behalf of ACC
- Lead on sport and leisure within a range of local community fora e.g. community planning partnership
- Lead the City Sports Partnership to become a more mature and strategic organisation

- To ensure internal governance mechanisms are appropriate and draft committee reports.
- Report performance information across the partnership and range of ALEOs
- Monitor detailed business plans and financial models to ensure compliance
- Lead and manage Community Sports Hubs in Aberdeen City (This is dependent on SportScotland investment continuing.)
- Lead and manage grant funding applications and distribution
- Oversee sport and leisure asset base and provide advice on new development proposals
- Manage and secure funding/budgets from external bodies to support sport and leisure in Aberdeen City
- Represent ACC on Sport and Leisure at national, regional and local level
- Manage complaints and enquiries related to Sport and Leisure

5.7.9 Sports Strategy

The vision and key objectives encapsulated in the Fit for the Future Strategy, Fit for the Future was developed by Aberdeen City Council's Sports Strategy Working Group in conjunction with the Active Aberdeen Civic Forum plan for 2009-2015 sets out to:

1. Promote and increase opportunities for participation in sport and physical activity for everyone in Aberdeen.
2. Provide a comprehensive and high quality range of sports facilities in Aberdeen.
3. Maximise the social, educational, health and economic benefits of sport and physical activity in Aberdeen.
4. Develop and sustain pathways which nurture local, regional and national sporting people to reach their potential.
5. Raise the Profile of Sport in Aberdeen.

Some of the existing functions of ACC Sport team were predicated on monitoring a newly established organisation, through a start-up process. This may have been appropriate at the time for both ALEOs and ACC, however Sport Aberdeen have demonstrated they are a maturing organisation with the capacity to move forward and lead the city wide sports strategy to deliver improved outcomes for the city.

The current functions held within ACC sports team can be more impactful and beneficial to the city by having staff embedded within Sport Aberdeen to carry out these functions, with Sport Aberdeen taking on lead responsibility in the Sports Partnership. The opportunity this provides to create a refreshed Sports Partnership, where collaboration and true partnership is promoted and developed will create a more effective strategic body that can deliver improved sports outcomes for the city.

Indeed the Fit for the Future strategy states:

'The delivery of the objectives will involve organisations working together to combine expertise, skills and resources. This will be led by members of the Active Aberdeen Forum working together with partner organisations such as other Community Planning partners and Sports Governing Bodies.'

Sport Aberdeen's Annual progress report for 2013/14 recognises the need for stronger partnership and states:

'Our approach will be inclusive and respectful of existing arrangements and other partner providers in the city. Further there is an undertaking that Sport Aberdeen will endeavour to form a strong city sports partnership of key agencies and individuals to drive the sports development process forward, adopting good practice and by being innovative and creative in the process.'

They go on to say

'We will strengthen existing relationships and forge new ones with organisations that share our ambition and where mutually beneficial outcomes can be achieved.'

This is consistent with Aberdeen City Council's long term vision for sports development and offers the opportunity for greater devolved responsibility to the front line delivery organisations, to deliver creative and innovative services through peer collaboration.

An integral part of performance monitoring is self-evaluation in any organisation; this is recognised in the Fit for the Future strategy which states:

'The Active Aberdeen Forum will oversee and monitor the delivery of Fit for the Future.'

This structural change proposed will enhance the partnerships' ability to monitor and self-evaluate performance against agreed metrics. It will enable greater peer to peer challenge and will be consistent with the council's ALEO governance hub approach.

5.7.10 ALEO Governance Hub

The Council report of 30th August states that *'the Council's approach to monitoring and evaluation of ALEOs, including Sport Aberdeen, would be defined and clarified.'*

5.7.11 The ALEO Governance Hub will monitor contracts for delivery of services within all ALEOs to ensure compliance including oversight of controls and risk. This includes finance, service delivery and quality assurance as well as best value to the Council.

5.7.12 The Policy, Performance and Resources service plays an integral part in the performance monitoring of all services, within ECS. The Performance and Quality Assurance team will interface with Sport Aberdeen on performance metrics to report to committee. The relevant Head of Service/ Service Manager would represent the service at the ALEO Governance Hub meetings. In addition the service would work with external quality assurance partners, where required.

5.7.13 Robust quality assurance would be achieved through working in partnership with the national sporting organisation for Scotland, SportScotland; a monitoring cycle through Internal Audit for ACC, and self-evaluation from the Sports Partnership. Should any concerns be identified in an ALEO, then further internal/external scrutiny would be commissioned. Regular performance reporting of ALEOs will continue through the relevant service committees, as well as reporting through the Finance, Policy and

Resources Committee.

5.7.14 Until such time as this transition is concluded, sports function will remain within the Directorate and reporting through the Service Manager for Culture. This reflects the former reporting line for sport prior to 2012. This will be a temporary measure only.

5.7.15 TUPE

The implications are that TUPE regulations will apply for those posts(4)² directly impacted by this decision.

The proposed timeline for TUPE process is attached in Appendix 4.

5.8 Consultation and Engagement

5.8.1 As with phases 1 and 2 of the restructuring, every effort has been made to engage with the workforce and their trade unions in relation to the management proposals. Consistent with phase 1 and 2, the feedback received has been constructive and thought provoking to the extent that several of the initial management proposals have altered as a consequence.

5.8.2 In addition to formal consultation with the trade unions, feedback was gathered from employees at six engagement events held throughout the city; through on-line publication of draft proposals and an email address for comments /feedback. A significant number of employees took the time to feed back their views on these proposals. A small number of those staff directly affected by the proposals submitted more detailed feedback which we have taken account of in this report.

The full suite of consultation responses is available in the Members Lounge for consideration. The consultation responses will be made available to non Elected Members.

5.8.3 In summary, employees feel the new third tier (and below) structure presents the following opportunities and concerns.

a) Opportunities

- The bringing together of related teams under the Education and Children's Service agenda.
- The creation of a Head of Inclusion and the promotion of this critical area/function.
- Greater coherence to deliver improved services through alignment of teams.
- General consensus that the realignment of a number of teams is positive.
- Positive feedback about the open and collaborative nature of staff engagement process, and the involvement and access to senior staff in the Directorate.

b) Concerns

- Impact on staff by the TUPE of sport functions and posts from ACC to Sport Aberdeen.

² The number of posts may be reduced to 3 as the Community Sports Hub Development Manager post is dependent on sportScotland investment continuing. This post is currently a fixed term secondment until March 31st 2015.

- Governance arrangements for ALEO within the new structure, particularly Sport.
- Lack of application of option appraisal methodology for sports proposal
- Clarity of sports functions proposed to transfer to Sport Aberdeen
- Regarding disaggregation of social services, particularly the business support elements and governance of central information systems.
- The ability to ensure coherence across community development with teams located in two Directorates.

6. IMPACT

- 6.1 This report's primary impact is on existing services and staff. The main changes are to reporting lines.

7. MANAGEMENT OF RISK

- 7.1 It is considered that a failure by the Council to amend its structure in response to the external and internal drivers for change outlined in this report would result in significant risk to the Council.

8. BACKGROUND PAPERS

The Public Bodies (Joint Working) (Scotland) Act (2014)
The Community Empowerment Bill (2014)

9. REPORT AUTHOR DETAILS

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- Appendix 1- Organisationsal Re-design – Principles
- Appendix 2 - Third tier structure charts
- Appendix 3 - Transfer of activities and posts to Sport Aberdeen paper
- Appendix 4 - TUPE timeline

Appendix 1

Organisational Re-design – Principles

Experience has shown that significant benefits are derived by agreeing a common set of principles for structural re-design (e.g. providing for consistency across Services).

It is proposed that the following principles should be applied in the 2014 re-structuring exercise.

Structures should:

1. Be as 'flat' as possible – minimising levels of hierarchy and allowing decisions to be taken near the point of the customer.
 - a) Clearly define accountabilities and remits for each Directorate (and each postholder) to ensure clarity of job role and eliminate duplication of effort and 'blurring' of job boundaries.
 - b) Describe services in a straightforward fashion so as to assist the public and other stakeholders associate service name with service delivery.
2. Be reflective of the Council's current and future strategic priorities and directly facilitate the achievement of these objectives.
3. Facilitate service and Council wide 'transformational' change by maximising the potential for business synergies and efficiencies.
4. Facilitate the delivery of customer focused and cost effective services.
5. Provide for strong and sustainable corporate and performance management.
6. Consolidate the delivery of related activities/services within the same management structure – maximising scale economies and creating or strengthening centres of expertise.
7. Provide a more direct focus on 'Community and Place'.
8. Facilitate both integration and interaction with partner organisations, either as a result of legislative requirement or voluntary agreement.
9. Provide the platform for an engaged and motivated workforce and assist with the development of the desired organisation culture by facilitating the embedment of our core behaviours.