

## ABERDEEN CITY COUNCIL

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COMMITTEE	Council
DATE	11 <sup>th</sup> December 2017
REPORT TITLE	Target Operating Model
REPORT NUMBER	OCE/17/024
LEAD OFFICER	Chief Executive
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### **1. PURPOSE OF REPORT:-**

This report brings proposals for the Council's senior management structure below Director level to members for consideration and approval.

### **2. RECOMMENDATIONS**

That the Council:

- i. note the update on, and feedback to, the programme of engagement with stakeholders on the development of the Target Operating Model and feedback to consultation on the proposed interim functional structure, together with officer responses to that feedback, as set out in Appendix A;
- ii. note the feedback to consultation on the proposed interim functional structure from Trades Unions, together with officer responses to that feedback, as detailed in Appendix B, and to further note that engagement and consultation with Trades Unions will continue to be a priority as the Target Operating Model is implemented;
- iii. approve the proposed interim functional structure shown in Appendix C, including the proposed establishment of Governance, City Growth and Place functions;
- iv. approve the proposed Tier 2 Chief Officer posts, related Job Profiles and salary levels, as detailed in Appendix D;
- v. approve the proposed Job Matching Process for Tier 2 Chief Officer posts as set out in Appendix E, for the purposes of implementing this phase of the Target Operating Model and to instruct the Chief Executive to undertake recruitment to those Tier 2 Chief Officer posts which are not filled through the Job Matching Process or the redeployment of displaced

Heads of Service, in accordance with the Council's Standing Orders and Scheme of Delegation;

- vi. instruct the Chief Executive to develop further the Council's organisational design to implement the Target Operating Model and submit recommendations for change, as necessary, to the Strategic Transformation Committee; and
- vii. note the previous instruction to the Chief Executive to report to Council in March, 2018, on proposals for an institutional governance framework for the Council and a broader placed based urban governance framework, and to instruct the Chief Executive to consider the portfolios, and position within the organisational structure, of Governance, City Growth and City Planning within these proposals.

### 3. MAIN ISSUES

3.0.1 At its meeting on 23<sup>rd</sup> August 2017 the Council considered a report (OCE/17/015) proposing a new Target Operating Model for the Council. Members agreed the realignment of the key functions of the Council for the proposed Target Operating Model and approved recommendations relating to the Council's Organisational Structure, the Transformation Portfolio and the Supporting Governance Framework.

In agreeing the First Tier structure for the Target Operating Model at its meeting on 23<sup>rd</sup> August, the Council also resolved to instruct the Chief Executive to develop further the senior management structure and report to Council at its meeting in December 2017 with recommendations for proposed portfolios and posts as appropriate.

This report addresses the Council's instruction in this regard and also provides an update on the programme of engagement with stakeholders on the Target Operating Model which has been ongoing since the meeting of the Council in August.

3.0.2 The report approved by Council on 23<sup>rd</sup> August gave details of how the Target Operating Model would change the Council's:-

- Customer Service
- Organisational Design
- Use of Technology
- Processes
- Workforce
- Governance/Accountability
- Relationship with partners and alliances

Detailed design principles for each of these areas were agreed by Council and these principles have led, and underpin, the proposals now set out within this report.

3.0.3 Whilst continuous reference is being made to all design principles throughout the transformation activity, the primary focus of this phase in implementing the Target Operating Model is Organisational Design. The agreed organisational design principles, and how these are informing the proposals, are described below:-

- i. **Customer Centric** - The interim functional structure proposes the consolidation of all (internal & external) customer engagement activity, allowing services to be designed around, and with, our customers.
- ii. **Outcome Led** - The interim functional structure, and in particular Commissioning; Operations; and Place are outcome focussed not task focussed. This is to ensure the organisation can improve the lives of the citizens of Aberdeen through improving the agreed outcomes set out within the Local Outcome Improvement Plan.

- iii. **Enabling** - The proposals, including the establishment of a commissioning function; the focus on early intervention; community empowerment and facilitating customer self-management, support the positioning of the Council as a “platform” through which many different types of interaction can take place, thereby enabling us to become the broker of arrangements as opposed to always being the provider.
- iv. **Accountable and Transparent** - The proposals have been designed to bring together leadership and resources in a way which both requires close collaboration between functions and brings clarity of accountability to each individual element. Outcomes will be agreed and commissioned; resources allocated; performance thresholds and customer standards set; and services delivered through a co-ordinated and transparent process informed by improved intelligence and strong governance.
- v. **Adaptive** - The proposed functional structure is an interim design at this stage. Further redesign will follow as the organisation adapts to technology. As further organisational design is brought forward, structures will be flexible and less hierarchical, enabling resources to be moved to where they are needed.
- vi. **Intelligence Led** - The consolidation of business intelligence resource and skills, together with a step change in the systems and tools we use to capture, store, share and use data, will better inform strategic planning and enable us to anticipate customer needs and manage demand through the use of digital technologies and a focus on upstream prevention.

### **3.1 Engagement – Target Operating Model**

- 3.1.1 At its meeting in August, the Council noted that a programme of engagement with stakeholders, both within and outwith the Council, including trades unions, ALEOs and other partners would be undertaken as the detail of the Target Operating Model is developed.
- 3.1.2 In the weeks immediately following the approval by Council of the Target Operating Model the priority for engagement was with the Council’s workforce. 56 staff engagement sessions were held at venues across the Council and drew a total attendance of 3,207 colleagues. The sessions set out the vision and priorities and the drivers for change. The Target Operating Model was introduced, the objectives of the Transformation Portfolio were outlined and the design principles underpinning all the work were set out. This information, and updates, were summarised in a number of Transformation videos and animations which have been viewed collectively more than 3,000 times through the Transformation Zone. The Transformation Zone is being kept up to date with key information and blogs regularly and has received 36,921 page views since the end of September.
- 3.1.3 Key points arising from the feedback provided from staff attending the sessions are as follows:

- the majority of staff recognise the need for change and welcome the opportunity to be involved at this early stage;
- there is a recognition that communities should do more for themselves, however, reservations about the public's willingness to take on roles which they have come to regard as the responsibility of the Council;
- most participants saw early intervention as the key to better outcomes for customers and a more fulfilling role for staff;
- it was generally recognised that the lack of a centralised means of storing data and lack of sharing of information across services and teams was a major barrier and addressing this was a priority going forward.

3.1.4 This feedback is now influencing the development of the Target Operating Model in the following ways:

- Customer function now contains a cluster on early intervention and community empowerment reflecting the feedback from staff;
- As a result of feedback on the importance of Place on the overall wellbeing and future potential of the city of Aberdeen, place planning and city growth clusters have been added into the overall functional model;
- The de-layering of the overall structure fits with the feedback from staff regarding hierarchy and its negative impact on accountability and creativity.

3.1.5 Trades union colleagues were invited to attend each of the staff engagement sessions and were offered the chance to discuss the Target Operating Model with attendees without management representatives being in attendance.

3.1.6 Trade union colleagues have also been provided with an open invitation to participate in the governance arrangements put in place to oversee the Transformation Portfolio by taking seats on any or all of the Delivery and Control Boards. Throughout, it has been acknowledged that the involvement of trades union colleagues has been on a "working party" basis only and should not be seen to indicate support for any proposals.

3.1.7 Engagement has also been undertaken with external stakeholders and partners and has been very productive. The Target Operating Model has been positively received and those engaged with have indicated that they are keen to work with the Council to support the transformation. Again the activity and feedback from partners is included within Appendix A.

## **3.2 Statutory Consultation – Interim Functional Structure**

- 3.2.1 In addition to the engagement described above on the Target Operating Model, a 3 week period of statutory consultation (the required period being 2 weeks) has been undertaken on the proposed interim functional structure included within this report. The Feedback from staff to this statutory consultation, together with officer responses, has been incorporated in Appendix A, whilst trades union feedback is provided in Appendix B.
- 3.2.2 Between the staff engagement and statutory consultation events a total of **108** sessions have taken place. Total attendance at these events was **4,505**. Further details of the representations made through the engagement and statutory consultation, and responses to these, are shown in Appendix A.
- 3.2.3 It was noted by a number of staff that a structure alone does not deliver success – it is the other elements of the Target Operating Model which will have the real impact, most specifically high quality and consistent people management, streamlined processes, carefully managed digitisation of services and a real focus on outcomes based on genuine collaboration with partners and the community. It is recognised that the Target Operating Model must be supported by the right organisational culture. This culture will be led by our future leaders and executed by our staff. In order to support the recruitment and development of future leaders and employees a leadership, cultural and behavioural framework is being developed, based on the future workforce / future leader profiles.

## **3.3 Interim Functional Structure and Tier 2 Proposals**

- 3.3.1 As referred to above, at its meeting on 23rd August, 2017, the Council instructed the Chief Executive to develop further the senior management structure of the organisation. The interim transitional structure proposed in this report has been designed using a planned approach and a timeline centred firmly on the involvement of key stakeholders and continued analysis to ensure alignment with the design principles of the target operating model. The anchor for the approach has been the Council's Financial Ledger, to ensure every budget in the Council has been captured and aligned to the new model, as well as the HR/People data, ensuring every employee and job has been aligned to the new model. Staff, partners and Trades Unions have been engaged and consulted as the interim transitional structure has been developed and their feedback has influenced the design now shown in Appendix C.
- 3.3.2 An overview of the service area groupings within each of the functions is also given in Appendix C. The following paragraphs provide further detail on the rationale for each element of the proposed interim functional structure.

### Commissioning Function

- 3.3.3 The Commissioning Function will have responsibility for the allocation of resources in order to most effectively achieve the outcomes agreed by the Council through the Local Outcome Improvement Plan. It will also establish, through the commissioning of services and the allocation of resources, a clear framework for accountability in the delivery of services and the attainment of improved outcomes.
- 3.3.4 The Commissioning Function will also bring together the Council's first consolidated Business Intelligence team. This signals a step change in how the organisation is able to capture, share, analyse and use data to support decision making, including through:-
- data analytics to predict events from potential child protection issues, to the likeliest locations for house fires and school attainment. These insights will give us the ability to take a preventative approach, putting in place interventions to try and stop problems rather than providing costly services in response;
  - combining data sets from across local government and the wider local public sector to enable deeper analysis and give frontline officers a much more comprehensive picture of the people receiving services;
  - "smart" technologies, for example, the use of sensors to manage traffic, or track air pollution. Councils can also collect data from citizens to better understand how resources might be directed to reflect the ways in which people navigate and experience places; and
  - the application of geo-spatial analytics to improve services, such as optimising waste collection routes and reducing inefficiency and duplication in transactional services. This is one of the most established areas of data analytics in local government, with studies finding a cost-benefit ratio of a £4 return for every £1 spent on the use of geospatial data;

### Customer Function

- 3.3.5 Currently, our external customers contact us through the Customer Contact Centre, Customer Service Centre and Customer Access Points. We also have thousands of daily interactions with both internal and external customers through operational services. This can mean our customers have to contact us multiple times and speak to many different staff members to get the support or answers they need. As a result, different pieces of information about the same customer are held in different parts of the Council and we don't have a joined-up view of their needs and therefore struggle to provide an integrated service. In future, we will manage and oversee all internal and external customer contact in one place. This will ensure we have all the information about all of our customers and what they need from us centrally. As we move to a more Digital Council, customers who can, will be able to self-serve, freeing our time to help the most vulnerable.
- 3.3.6 Through capturing improved customer information and using it to analyse customer demand, behaviour and needs we will be in a position, working with partners, to start to manage increasing demand being placed on the

Council's frontline services through the early intervention and community empowerment cluster. Moving Housing access, support and tenancy management into the Early Intervention and Community Empowerment cluster provides an opportunity to promote integrated service access and be part of the early intervention and prevention agenda.

- 3.3.7 As part of approving the Strategic Business Plan in February 2017 the Business Support programme was initiated. To enhance the service delivery, it is proposed that transactional business support be consolidated into the transaction and business support service within the Customer Function.

#### Operations Function

- 3.3.8 The Council currently has many operational service delivery areas such as traffic management, waste collection, housing provision and community development. Currently, individual service areas are responsible for delivering their individual services to customers with little, to no, service integration across services leading to multiple contacts with the same customer and increasing the costs of service delivery. The Operations function will bring all in-house operational service delivery together, thereby enabling similar functions to be consolidated and integrated. This will reduce siloed customer contacts and contribute to an improvement in customer satisfaction.
- 3.3.9 With respect to alignment of educational services, due regard has been given to "Empowering Schools: A consultation on the provisions of the Education (Scotland) Bill", which is informed by "Improving Schools in Scotland", an OECD report published in 2015. A number of themes are common to both reports and the interim organisational design of the Council addresses these themes and, therefore, ensures that the Council will be well placed to support school leaders as the Bill becomes primary legislation.
- 3.3.10 The OECD report states "having implemented the curriculum for excellence at the system level, the centre of gravity needs to shift towards schools, communities, networks of schools and local authorities in a framework of professional leadership and collective leadership". The term "strengthening the middle" is now understood to refer to the local authority, teachers, head teachers, different networks and collaborations.
- 3.3.11 The Chief Officer for Integrated Children's and Family Services is designed to facilitate a deeper collaboration between education and social work within the local authority, as well as enhancing the collaboration with NHS children services at a local level.
- 3.3.12 Aberdeen community planning partnership has made significant progress in the development of its locality plans for the most deprived communities across the city and these are being supported by the established locality partnership boards, which a number of head teachers, GP's and police inspectors are involved in. This approach is facilitating the shift in gravity towards communities as envisaged by the OECD report.



- 3.3.13 Both reports focus on strengthening the professional leadership of curriculum for excellence and the middle. The creation of a professional standards, development and conduct team within the proposed People and Organisation function will enable the authority to support the ongoing development of leadership capability and maximise opportunity for joint development across the range of professionals involved in supporting children.
- 3.3.14 The Council has been an active contributor to the establishment of the northern regional collaborative and will ensure all Aberdeen schools have access to the work of the collaborative in terms of professional practice and development.
- 3.3.15 The OECD report identifies a key role for data agencies and the research community in monitoring the extent to which the attainment gap is being closed. The creation of the Council's first ever business intelligence unit will enable the Council to support our school leaders in monitoring the impact of locally and regionally driven tests of change as the middle drives efforts to "close the attainment gap". The job profile for the Chief Officer (Integrated Children's and Family Services) includes a clear responsibility for closing the attainment gap and for linking with the Chief Officer (Business Intelligence and Performance Management).
- 3.3.16 The draft Bill places a focus on parental and community engagement. The interim structure includes an early intervention and community empowerment function. This is designed to provide the required organisational leadership to enable all our customers, including parents and pupils, to have much more involvement in the design of services and the decisions which impact on them. This theme, is not only a feature of the job profile for the Chief Officer (Early Intervention and Community Empowerment), but is also featured in job profiles of the Chief Officer (Integrated Children's and Family Services) and the Chief Officer (Strategic Place Planning), ensuring that all children have an involvement in the design decisions of the city.
- 3.3.17 The OECD report places an emphasis on innovation in secondary school learning. The recent appointment of our digital partner, will accelerate the development of our digital strategy. Innovation in learning, focused on closing the attainment gap, will be enabled through our new partnership.
- 3.3.18 Having consulted with the Care Inspectorate and the Chief Social Work Officer within the Scottish Government, both expressed a view that the Council's Chief Social Work Officer (CSWO) should be sitting in the most senior position possible and with direct access to the Chief Executive. As a result, the statutory role of CSWO has been incorporated into the Chief Officer (Integrated Children and Family Services) job profile.

#### Resources Function

- 3.3.19 The organisational design proposals include the introduction of the corporate landlord model for the operation of the Council's estate. By consolidating and controlling all property spend, space management and letting, this holistic approach will deliver corporate and central objectives, rather than local tactical needs; drive value for money decision making; and deliver

significant cost savings. The model is based around 3 functions; the corporate landlord and estate expert; the service delivery enablers; and the service delivery providers.

- 3.3.20 The corporate landlord and estate expert focuses on truly understanding the corporate objectives of the organisation and knowing how the property, construction and facilities management industries can support or be shaped to support this. Engaging with stakeholders to influence decisions based on key property drivers, they will be an expert client and take a holistic view on space allocation, leasing and letting and accommodation standards. This function has been placed within the Resources function. Whilst there is an argument for bringing the corporate landlord and capital development and delivery functions together, given the scale of the Council's capital programme it is proposed to separate these functions, but to align them both under the leadership of the Resources Director.
- 3.3.21 Service delivery enablers will comprise the subject matter experts for all aspects of service delivery including architects, engineers, fabric and plant maintenance, energy and environmental, and procurement specialists. They will work together to advise the Council on the best approach to delivering property services, cost and procurement options and will plan and manage the delivery of these services. This function has been placed within the Operations function and integrates facilities management and building services.
- 3.3.22 Service providers possess the understanding of business needs. They are the public face of delivery and are aligned within the Operations function.
- 3.3.23 In response to engagement with the Health and Safety Executive Scotland, the proposals for health and safety have been amended to ensure strong and visible leadership at a senior level. The proposals place strategic leadership and sponsorship within the Governance function with the operational element remaining within the Operations functions. This separation of strategy and operations is consistent with the corporate landlord model.

#### Strategic Place Planning; City Growth; and Governance

- 3.3.24 As the draft interim functional structure has been developed and revised, particularly through the process of staff, trades union and partner engagement, the importance of Place in the overall wellbeing and future potential of the city and ii) the need to support decision making and delivery through strong and governance and assurance arrangements have been highlighted. The Council, in August 2017, instructed that the Chief Executive report further on proposals for both of these areas to its meeting in March 2018. Whilst this report recommends the establishment of Chief Officer posts and Job Profiles, at 2<sup>nd</sup> tier level, for Strategic Place Planning; City Growth; and Governance it is recommended that the portfolios and position within the organisational design be considered further in the context of the report to Council in March 2018.
- 3.3.25 With respect to Place, work is ongoing to develop proposals for a broader placed based urban governance framework. This recognises both the

complex institutional landscape which is evolving at a national, regional and local level, as well as the need to strengthen the roles and relationships between political, civic and managerial leadership.

3.3.26 A co-ordinated approach to strategic place planning also impacts on the Council's economic objectives to provide a supportive environment to businesses and the Target Operating Model provides an opportunity to look at how the Council provides "services to businesses". There are a number of business facing statutory functions including licensing, trading standards, environmental health, planning, trade waste, buildings standards and over and above these statutory functions, the Council supports business activity directly and through its delivery of the Business Gateway. The intention would be that, as well as this specific support, there is a developing relationship with the 'Customer' function to enable an effective relationship with businesses. In developing a new model, the overall objectives would be to create an even more responsive and enabling level of service to our business customers; and to provide the conditions for businesses to retain their presence in the city, expand and invest. In this sense the Council would be using its business facing delivery to enable city growth along with providing statutory functions in protecting the wellbeing of citizens. It would also contribute to Aberdeen's inward investment priorities to be a business friendly location.

3.3.27 In the proposed interim functional structure all physical Planning activity and resource is aligned to Strategic Place Planning. Planning arrangements have been under review at a national level, with a Planning Bill anticipated in the new year, and a review of the Council's Planning function is also underway.

3.3.28 With respect to governance, proposals for an institutional governance framework are being developed, including through the ongoing involvement of the Governance Reference Group, and will be reported to Council in March 2018. For the Council to be an effective organisation in the 21<sup>st</sup> Century, and continue to engage and support customers using digital technology, it will need to ensure that its decision making, processes, and risk management are fit for the 21<sup>st</sup> Century organisation. In order to ensure this governance needs to be strategic and provide strong governance and assurance to meet the needs of the Council as it faces the challenges of the future.

#### **3.4 Proposed Tier 2 Chief Officer Posts**

3.4.1 The table below outlines the current Head of Service and Chief Officer posts within the Council structure. As part of the move to the new Target Operating Model, it is proposed that these posts be disestablished:

- Head of Finance
- Head of Public Infrastructure and Environment
- Head of Policy, Performance and Resources
- Head of Economic Development
- Head of Children's Social Work
- Head of IT and Transformation

- Head of Legal and Democratic Services
- Head of Communities and Housing
- Head of Inclusion
- Head of Education Services
- Head of Land and Property Assets
- Head of HR and Customer Services (post already deleted as postholder left on VS/ER terms)
- Head of Planning and Sustainable Development

(nb: Head of Procurement is retained as the post has responsibility for managing a shared function for Aberdeen City, Aberdeenshire and Highland Councils)

(nb: Head of IJB Operations is retained as it is within the scope of Health and Social Care Partnership (IJB) which is outwith the scope of the functional assessment)

3.4.2 It is proposed that the undernoted posts be established aligned to the functional groupings illustrated in Appendix C.

All tier 2 posts have been evaluated using the Scottish Joint Council's local government job evaluation scheme. As a result of this evaluation, posts have been aligned to differing pay grades at Chief Officer level based on the individual role, responsibilities and requirements of each post.

Accordingly, the posts were aligned to the following criteria:

- Level 1 – Chief Officer with statutory role - Grade CO36
- Level 2 – Chief Officer without statutory role and having been job evaluated as having significant level of responsibility as determined by job evaluation – Grade CO34
- Level 3 – Chief Officer without statutory role and having been job evaluated as having a lesser than significant level of responsibility – as determined by job evaluation – Grade CO27
- Level 4 – Chief Officer without statutory role and having been job evaluated as having a lesser than significant level of responsibility – as determined by job evaluation – Grade CO20

The proposed posts for Tier 2 are as follows:

<b>Level description</b>	<b>Job Title</b>	<b>Salary</b>
Level 1	Chief Officer – Governance (Monitoring Officer) Chief Officer – Finance (Section 95 Officer) Chief Officer – Integrated Children's and Family Services (CSWO)	CO SCP 36 £85,135
Level 2	Chief Officer – Operations and Protective Services Chief Officer – Capital Chief Officer – Corporate Landlord Chief Officer – City Growth Chief Officer – Strategic Place Planning Chief Officer – Early Intervention and Community Empowerment	CO SCP 34 £81,504

Level 3	Chief Officer – Customer Experience Chief Officer – People and Organisation Chief Officer – Business Intelligence and Performance Management	CO SCP 27 £68,806
Level 4	Chief Officer – Digital and Technology	CO SCP 20 £58,182

### **3.5 Tier 2 Recruitment and Selection**

3.5.1 Should the above proposals be approved by Council, the Tier 2 recruitment and selection process will begin on 12 December, 2017 using the job matching process as set out in Appendix E. Staff and Trade Unions were consulted on the use of a job matching process which was based on arrangements agreed by the Council in 2014. Following consideration of representations from Unite, the process detailed at Appendix E is an amended process which includes a two stage appeal process, the first stage to be heard by a Director or the Chief Executive with a further right of appeal to the Appeals Committee. It has also been amended to allow a Head of Service 5 working days, from the date of receiving written notification, to submit any appeal.

3.5.2 Following the completion of the job matching process, any unfilled posts will require to be advertised. These will be advertised internally in the first instance to prioritise our internal staff, following which, if unsuccessful, the posts will be advertised externally.

### **3.6 Ongoing Organisational Design**

3.6.1 The implementation and development of the new target operating structure is being planned in phases. The first phase is to adopt the target operating functions and migrate services into the designated clusters by the end of March 2018. The transformation portfolio governance structures will oversee the migration of services into the interim functional structure, monitoring risk through the delivery and control boards.

3.6.2 The work to date on the organisational design has been undertaken in advance of the appointment of the digital partner. We will now work with the digital partner on the development of our digital strategy which will set out opportunities for the digitisation of services. Subject to the digital strategy being approved by Council, it will be necessary to review the interim organisational design in order to ensure that technology is at the heart of the structure as envisaged by the Target Operating Model.

#### 4. FINANCIAL IMPLICATIONS

The comparative annual cost of the existing and proposed 2<sup>nd</sup> tier structures are shown below and reflect a recurring saving of £81,745.

	<b>Salary Costs (£)</b>	<b>On Costs (33.1%)</b>	<b>Total (£)</b>
Existing 2 <sup>nd</sup> Tier	1,070,445	354,317	1,424,762
Proposed 2 <sup>nd</sup> Tier	1,009,029	333,989	1,343,017

#### 5. LEGAL IMPLICATIONS

In implementing the Target Operating Model the Council must continue to comply with its statutory obligations as a local authority and with relevant Council policy, statutory rules and regulation in respect of the changes impacting Council staff. There is also a requirement for a new governance framework to give effect to the Target Operating Model. This is currently being developed and will be brought to the meeting of Full Council on 5 March 2018 for consideration.

#### 6. MANAGEMENT OF RISK

6.1 The Corporate Risk Register includes a risk specifically for the transition to the Target Operating Model. The Corporate Risk Register is reviewed at each meeting of the Corporate Management Team (Stewardship).

6.2 Risks to be shown as below:

- Financial - The financial implications of the Tier 2 structural redesign phase of the transition which is the subject of this report is shown in detail at Section 4. above.
- Employee - In implementing organisational change such as the move to the interim functional structure, there may be a risk of staff feeling unsettled. In mitigation of this all staff will continue to be included and engaged in the process, so that they can participate in the design of new services and know that their views are being actively considered. As well as Trade Unions being invited to observe at all delivery boards, an Employee Representative Group has been instigated as part of Transformation engagement. See also Staff Impact section.
- Customer / citizen - The need to maintain delivery of “Business as Usual (BAU)” services to customers during the transition to the interim functional structure has been identified. To mitigate risks a robust governance structure has been implemented and during transition BAU performance will be monitored and reported into appropriate governance arrangements.
- Environmental - No environmental risks have been identified as a result of the recommendations made in this report.
- Technological - No specific technological risks have been identified with the implementation of the interim functional structure.
- Legal - See Legal Implications section.

## **7. IMPACT SECTION**

7.1 The primary objective of the Target Operating model and the Transformation Portfolio is to ensure that Aberdeen City Council is fit for purpose to deliver its agreed priority outcomes for the City, its citizens and communities. These outcomes are expressed through the Local Outcome Improvement Plan and the Strategic Business Plan under the themes:-

- Economy
- People
- Place
- Technology

### **7.2 Impact on staff**

With regard to Tier 2 Chief Officer Posts, it is proposed that all existing posts in the establishment at Tier 2 will be disestablished. Due process will be followed utilising Council's policy and procedures to appoint those displaced into the proposed new structure. Every effort will be made to ensure those displaced will be offered alternative positions through the Council's redeployment process.

The proposed interim functional structure will see a realignment of all staff. Staff will, of course, be interested in what the changes will mean for them individually in terms of their role, responsibilities and ways of working. Staff will be fully involved through the continuing development and implementation of the programme of engagement and consultation.

## **8. BACKGROUND PAPERS**

None

## **9. APPENDICES**

- Appendix A - Feedback from Staff and Partner Engagement and Consultation Sessions
- Appendix B - Consultation feedback from trades unions
- Appendix C - Functional Allocation Organisational Chart
- Appendix D - Tier 2 Chief Officer Posts Job Profiles and Salary Levels
- Appendix E - Job Matching Process

## **10. REPORT AUTHOR DETAILS**

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