

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance and Resources
DATE	17 June 2010
CORPORATE DIRECTOR	Stewart Carruth
TITLE OF REPORT	Corporate Governance Business Plan 2010/11 – 2012/13 and the Management Structure
REPORT NUMBER:	CG/10/119

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### 1. PURPOSE OF REPORT

The purpose of the report is to present the 2010/11 – 2012/13 Corporate Governance Business Plan ('Business Plan') and the management structure to the Finance and Resources Committee.

### 2. RECOMMENDATION(S)

It is recommended that the Committee:

- i) agrees the Corporate Service Business Plan 2010/11-2012/13;
- ii) agrees to the establishment of 13 new manager posts reporting to Heads of Service and disestablishment of posts to fund new posts; and
- iii) agrees to provide delegated authority to the Director of Corporate Governance to implement further restructuring across the Directorate and in accordance with Council policies and procedures for Union and staff consultation.

### 3. FINANCIAL IMPLICATIONS

The cost of the proposed management structure will be met from existing resources within the 2010/11 budget, taking account of savings agreed by Council on 10 February 2010.

#### 4. SERVICE & COMMUNITY IMPACT

The Business Plan and management structure will deliver the outcomes highlighted in all of the main policy documents in an effective and efficient way.

#### 5. OTHER IMPLICATIONS

The revised management arrangements will impact beneficially on the work undertaken by Aberdeen City Council, and specifically the role that Corporate Governance plays through the achievement of greater efficiency, clarity and accountability.

The current proposals have been developed through consultation with Corporate Governance staff and Trades Unions. The proposals have also been considered in the context of equalities and human rights impact.

#### 6. REPORT

##### INTRODUCTION

We have outlined our vision and plan for the future in the Business Plan which is attached as Appendix 1. The proposed structure to deliver that plan is attached as Appendix 2. The report highlights the key points from the Business Plan and structure.

##### **Corporate Governance Service Business Plan 2010/11 – 2012/13**

It is highly likely that over the next three years the delivery of services within the Directorate will change significantly. As we respond to the changing demands of other services, increasing financial constraints, greater understanding of customer requirements and emerging technological advances, the type, level and shape of service will be altered to meet these demands.

We have reflected these emerging trends and evidence gathered from surveys, external and internal audit reports, the Corporate Governance Open Day, other Directorates' Service Business Plans and feedback sessions in the Business Plan, which sets out an approach to improve the quality of services delivered and generate efficiencies.

We are also keen to emphasise that the delivery of our services will be against a set of clear principles, which are a guiding framework for the Directorate.

The Business Plan is forward looking, and provides a clear focus on:

- Actions directly linked to the priorities set out in the Interim Business Plan;
- How we will deliver these priorities;
- Listening to the voice of the customer;
- Building the team to deliver the priorities;
- The financial underpinning of this delivery, and;
- How we will measure our performance.

The Business Plan concentrates on 2010/11 and will be amended to reflect the outcome of the 5 Year Corporate Business Plan. The agenda for 2010/11 is exciting and challenging, and will result in a Service which is positioned to develop services with the public and private sectors.

### **Structure to deliver the Service Business Plan**

In order to deliver the Business Plan, our structure will need to be leaner, more cost effective and customer focused. It will also demand significant changes in a number of specific areas in all of the Services. The proposed structure is outlined at Appendix 2.

In 2010/11, we are committed to developing an internal shared service centre model, and Human Resources & Organisational Development and Finance will be at the vanguard of this move.

This will result in the setting up of a team of business partners with a focus on each of the Directorates, and the bringing together of transaction type services which have a standardised approach and common processes. This will bring clear decision making, greater accountability, and generate efficiencies as these processes are streamlined and made consistent.

In addition, Finance will build its corporate accounting practice, thereby reducing risk and over-reliance on individuals, and in doing so seal the interface with revenues and benefits.

Legal and Democratic Services will also move to a more customer led service, with greater clarity on the types of services which it will deliver. Moreover, legal services will also incorporate increasing demand from commercial deals, tendering, commercial properties and different partnerships in its new structure. Democratic services will continue to focus on the requirements of elected members and Committees, and at the same time explore opportunities for delivering services to other organisations.

Customer Service and Performance will undergo a significant restructuring, with clear positioning of ICT as a strategic customer-facing service underpinning both internal and external customers and the move towards the Customer Contact Centre. The development of an Enterprise Programme Management Office (EPMO), independent from ICT, signals the development of programmes which are led by business requirements. Finally, community planning alongside corporate performance, risk, and internal audit presents an integrated corporate package backed up by research and knowledge which will be driven by demand from other services.

It is also clear from the Business Plan that there is a requirement for skills such as a Financial Modeller/Economist, Business Manager and Programme Manager to drive forward the business planning for shared services and partnerships, and a Supply Chain Manager to ensure that the Council gets efficiency through renegotiation of its supply chain contracts. These currently do not exist within the organisation.

The main changes to each of the services are outlined below.

## **Human Resources and Organisational Development**

The current HR structure is traditional and the model of delivery is found within most large scale public sector organisations.

Whilst the functions comprising 'HR' are reasonably well integrated, it is considered that a greater degree of integration and therefore cohesion would be beneficial – reflecting the change to the Council's overall structure. It is therefore proposed to reduce the number of teams in HR from five to three (excluding Payroll).

Many forward thinking organisations have introduced or are in the process of introducing an HR Shared Service Centre to provide a one stop shop for all transactional services and routine HR advice. The Council has already approved the establishment of a Service Centre and it will bring together the staffing teams within all five services as well as the Corporate Recruitment Team. The scale economy benefits are already starting to be realised (£250,000 worth of savings have already been made within services) and it is considered that other benefits will be realised from this development (including greater consistency in the advice provided to managers).

A significant by-product of the creation of a Service Centre is the potential that will exist to further transform the remainder of HR into a strategically focused service - both in relation to supporting corporate as well as the five constituent services. One very explicit demonstration of the move is the creation of four posts titled 'Business Partners'. These individuals will work closely with services – particularly the senior teams - in order to assist in the delivery of service plans and the Council's overall Business Plan by supporting the development of robust workforce planning.

## **Finance**

The Head of Finance has responsibility for Revenues and Benefits; Pensions; the Infosmart project, and the provision of an Accounting Service to the organisation encompassing both Corporate Accounting and Service Accounting. The key changes will be to Revenues and Benefits, Corporate Accounting and Service Accounting.

### **Revenues and Benefits**

Revenues and Benefits has recently moved into Finance and there is a requirement for a post to manage this significant operation. This will be funded from within the existing budget.

### **Finance Service**

Corporate Accounting to the organisation will be delivered by a Chief Accountant and Corporate Accounting Manager both already in the existing structure but augmented by a new Corporate Financier role. This role would take the lead on large scale financial projects such as 3Rs, AECC and other large scale projects which require specialist financial advice which will require significant work on behalf of the Finance team for the foreseeable future.

Within Corporate Accounting there is a requirement to put in place additional resource to support the Annual Accounts process and the Capital Accounting process where currently there is a risk arising from lack of organisational resilience.

Service Accounting which previously reported through the Chief Accountant and Corporate Accounting Manager will be restructured to create a Shared Services Model of working which will encompass the Infosmart Project. This approach will be lead by the Services Accounting Manager who will be charged with set up and delivery of this shared service model.

The overall aim of the restructuring of Finance is to enable the delivery of strong financial support to the Directorates; to move from a backward looking “record & report” focus to a more value adding forward looking “analyze & predict” focus. The change in reporting emphasis will be underpinned by the reorganization of the accounting processing teams into more process focused elements. A process focus will enable greater flexibility with resources, greater standardization and as a result a more efficient service.

The restructuring of Finance will also enable greater opportunities for staff development. The restructuring will facilitate the provision of experience to staff across a range of Directorates; enable close involvement in process improvement and the delivery of accounting services to Service Level Agreement standards, including performance metrics.

This proposal will strengthen Corporate Governance's Finance team and help it to deliver Best Value. The restructuring will also help to ensure that Finance plays a more significant role in supporting the Directorates to deliver their commitments per the Single Outcome Agreement, Vibrant, Dynamic and Forward Looking and the individual Service Plans.

It is anticipated that the implementation of the fully revised structure will, in addition to providing improved service to the Council Directorates, create the opportunity for efficiency savings in future years.

The revised Finance structure will impact beneficially on the work undertaken by Aberdeen City Council, and specifically the role that Corporate Governance plays in supporting other Directorates to achieve their aims.

## **Legal and Democratic Services**

The Head of Legal and Democratic Services has responsibility for the provision of legal advice and services to the Council and partners; Registration Services, Archives and Committee Services. The key changes will be to the provision of Legal Services and the provision of a new post to manage Committee Services, namely a Senior Democratic Services Manager.

### **Legal Services**

The basis of the structure addresses the need to provide the most appropriate alignment of the legal team to the Services and in doing so move to a more customer led service. To that end, it is proposed to reduce the number of Legal Managers from four to two, creating the appropriate teams to meet the increasing demands from significant commercial deals, procurement and the ever changing range of vehicles required to deliver major projects.

There will be a requirement to recruit additional staff at solicitor level as the current workload cannot be met by existing staff. It is envisaged that these costs will be met from existing resources and the savings from the reduction in the number of managers as mentioned above.

The overall aim of the restructuring is to enable the required levels of support and advice to the Services whilst retaining and developing specialisms and expertise. Below manager level it is planned that Senior Solicitors will lead particular work streams.

## **Democratic Services**

The key change has been the introduction of the post of Senior Democratic Services Manager – a post which was necessary to deliver an effective Committee administration and members' support services. This post and the associated structure for Democratic Services, which includes two Committee Managers at third tier level, was agreed by this Committee at the meeting of 28 January 2010.

It is not the intention to change the structure at manager level for Registrars or Archives.

## **Customer Service and Performance**

The structure makes best use of available financial resources by streamlining service delivery and providing a programme management framework to prioritise and coordinate service improvement and the development of projects.

The existing Customer Service and Performance structure encompassing Customer Service; ICT; Community Planning & Engagement, and Corporate Performance have been re-aligned.

The key changes are:

- The Customer Service group will now include the E-Gov and web team which currently reports into ICT. This will ensure that the development and improvement of access channels are customer driven and are harmonized with other customer service developments.
- All project and change management functions will be managed and coordinated from a new Enterprise Programme Management Office (EPMO) which will have responsibility for delivering projects within an overall program of work that is prioritized according to agreed criteria to maximize value to the council. A new position of Senior Program Manager will be created to manage the EPMO.
- The core ICT functions of operations, application and infrastructure management and support will continue to be managed within the ICT group whilst ICT project management will move to the EPMO.
- Community Planning and Corporate Performance including partnerships, community engagement, internal audit, research & information and risk management will be merged to bring together the information and analytical capability in a single group and to ensure there is a close link between performance monitoring and delivery of the service plan outcomes including statutory and internal performance indicators. A new post of Community Planning and Corporate Performance Manager will

also be required to bring this altogether as an integrated part of the Service.

### **Central Procurement Unit**

The Central Procurement Unit is a shared service with Aberdeenshire Council providing policy and advice to services and managing and developing the Council's procurement strategy.

### **Supply Chain Specialist**

Recent internal and independent external reports have identified contracts management as being a weakness across Council Services. The private sector has been able to exploit this to their gain as the public sector as a whole is poor in commercial negotiation skills. This weakness is a risk to achieving best value and diminishes our ability to reduce costs whilst building continuous improvement into the supply chain of the higher value, higher risk contracts.

The Diagnostic Pathway exercise by external consultants in 2009 identified the potential for significant savings through efficient contract and supply chain management. There would be high expectations on this postholder to drive existing contract costs down whilst maintaining at least the same service levels.

It is proposed to link this post to performance related pay of defined results and will be a fully funded Aberdeen City post.

### **Corporate Governance and Office of Chief Executive**

There is a close relationship between these two services, which provides us with an opportunity to pool administration of the services for the Director and Office of Chief Executive. Accordingly, the new structure will have a reduced number of administration posts supporting the Director, which will be supported by a new post of Business Manager.

### **Investment in the Structure**

There will be investment in key areas of the structure in order to deliver the Service Business Plan.

The new structure will result in 13 new posts at manager level and reporting to Head of Service.

These posts are:

- Corporate Financier
- Service Accountant
- Revenue and Benefits Manager
- Senior Programme Manager



- Community Planning and Corporate Performance Manager
- Supply Chain Manager
- Legal Manager (Policy, Property, Procurement Projects)
- Legal Manager (Employment, Education, Litigation, Licensing)
- Business Manager
- HR Manager (Planning and Development)
- HR Manager (Client and Corporate Support)
- HR Shared Service Manager
- Corporate Performance Manager

The funding of these posts will be delivered within the Directorate's approved budget for 2010/11. Posts will be funded and savings delivered through the disestablishment of posts following appointment of the new managers' posts and through disestablishment of vacant posts. The Directorate currently holds over 100 vacancies within budget. These posts will be filled by a combination of job matching and advertisement in line with the Council's policies. The proposed disestablished posts are:

- Personnel Manager
- Corporate Support Manager
- OD Manager
- ED Manager
- Change Manager x 2
- Business Transformation Team Manager
- Chief Administrative Officer
- Business Transformation Project Leaders x 2 (1 vacant)
- CRM Solutions Analyst (vacant)
- Information & Research Team Leader
- Projects Manager Post
- Admin Assistant (Vacant)
- Distribution Services Assistant (Vacant)
- Legal Managers x 4

There will be a redundancy situation for a number of posts, and until the job matching and advertisement process is complete it is not possible to know the number of staff affected. For those who choose not to apply for new posts, or are unsuccessful, the Council will mitigate redundancies through redeployment within the Council, and where possible with other organisations. If there are no suitable redeployment opportunities, the staff concerned will be in a redundancy situation.

## 7. AUTHORISED SIGNATURE

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## 8. REPORT AUTHOR DETAILS

As above.

## 9. BACKGROUND PAPERS

Refer to any sources used in the writing of your report. Please note that it is a statutory requirement that any papers that are listed must be made available to the public on request.