

Appendix E4a -
Corporate Services
Proposals for
Change -
Requiring
Consultation for
2019 - 2022

Proposal for Change:

CORP1920-07 Restructure of HR Admin and Payroll Service

Corporate Plan Priority:	Corp1920-07
Service Area:	HR Services
Director:	Chris Squire
Strategic Manager	Rachel Ellins
SAP Node	EIHA

1. The proposal is to:	
	Managing Demand - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
X	Increasing Productivity - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
	Service Delivery Models - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	Reductions in Services - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:
Proposed savings of £95,000 in 2019/20 and a further £9,200 in 2020/21 through a restructure of HR Admin and Payroll Services to reflect the service needs due to a changing customer base, mainly due to Academy Schools and the implementation of electronic processes which have brought efficiencies.

2a. Confidence level
100%
We have already seen a reduction in staff numbers from the processes already implemented and are confident that the ongoing work will achieve the further savings.

3. Impact on residents, businesses and other organisations:

N/A

4. Impact on other services we provide:

HR support required as some employees may end up with salary protection or redundancy, although it is thought most of the latter can be managed by voluntary redundancy.

5. Impact on staff:

It is anticipated that there will be a small reduction in staff numbers. This will be achieved via removal of vacant positions, voluntary redundancies and consideration of flexible working requests where possible. A restructure exercise will be required.

There will be some additional changes, due to revised Job Assignments, that may result in protection for some employees and some opportunities for others to increase their grade. There are also some changes of hours that will result in savings overall.

A change in the way Job Evaluation (JE) is managed may release additional savings but this is unlikely to be known until sometime in December or possibly the new year.

The number of FTE that might be lost is: TBC
The number of posts that might be lost is: TBC

6. Resources and support needed to make the change:

HR to support consultation. Kerry Diamond already informed of the need for support.

7. Timescale to deliver and major milestones:

Start of staff consultation	November 2018
Other HR activities	December – March 2019
Implementation	April 2019 and July 2019

8. Risks and opportunities:

- Negative impact on staff morale/engagement.
- Over estimation of savings that can be realised resulting in detriment to service delivery

9. Dependencies:

N/A

10. Initial Equality Impact Assessment:

N/A

11. Consultation and Communications plan:
Staff and trade union discussion as part of wider consultation
12. Legal Implications:
N/A

13a. Financial Implications – net change to service budget in each year:					
Are the savings evidenced based?				Yes, options have been costed by Finance but final structure still to be finalised.	
If no, when is evidence expected?					
Please note: these figures should be cumulative (as per the approach for MTFP and savings)					
£'s	Savings	Income	Growth/Costs	Total	Ongoing or One-off?
2019/20	£	£	-£	£95,000	Ongoing
2020/21	£	£	-£	£9,200	Ongoing
Total	£	£	-£	£104,200	Ongoing

13b. One off project costs and income (not included in above):		
£'000's		
2018/19	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
TOTAL		£0

Proposal for Change: Corp 1920 – 12 Corporate Affairs Restructure

Corporate Plan Priority:	CORP1920-12
Service Area:	ICT and Commercial & Procurement
Director:	Simon Clifford
Strategic Manager	Claire Griffiths/Andy Kennell
SAP Node	EIE / EII

1. The proposal is to:	
	Managing Demand - <i>Examine what can be done to influence our demand and reduce service pressures/costs or increase income, including raising fees and charging for services. How could we work across the wider local system with partners, are we picking up costs that should be paid by a different part of the system? Evidence of current and expected future demand will be required as part of future planning.</i>
	Increasing Productivity - <i>Since 2011/12 the Council has made most of its savings through efficiency measures. Like most Councils there is now less scope for traditional efficiency savings. What efficiency/productivity savings are available? What are the biggest expenditure items in your service? Are we getting best value from our contracts? Are we exploring opportunities to negotiate?</i>
X	Service Delivery Models - <i>Are you aware of any alternative delivery models that could deliver services differently? What examples from other authorities could we adopt? E.g. commission from another party, joint venture ... recognising that some options will have a long lead in times and would not necessarily impact on the financial gap in 2018/19.</i>
	Reductions in Services - <i>Are there services which partners could provide instead? Are all your services adding value? Are there any services which could safely and legally be stopped? What would the impact be on residents? Could residents be empowered to do it themselves?</i>

2. Outline of the proposed change:	
<p>The Commercial and Procurement (C&P) team and the ICT team sit within Corporate Affairs. This paper sets out proposals to restructure these services, merging functions where there are natural alignments within teams, aligning resources to corporate priorities, streamlining management functions and ensuring the structures are fit for future purpose. In addition, the C&P restructure will provide clarity of the team's role, re-orientating resources to have a more commercial focus, where appropriate, removing any legacy elements in the current structure. At the same time the restructure will deliver efficiency savings, reducing both the C&P and ICT departments' baseline budgets.</p> <p>Budget savings can only be secured if further income is generated, staffing costs are apportioned to other budget lines, staff opt to work less hours/take unpaid leave or staff numbers reduce with associated activities declining or stopped. All the above options continue to be explored.</p> <p>Staffing occupies the largest proportion of the C&P department's baseline budget costs and therefore the savings outlined in this paper are derived from a proposed</p>	

restructure. ICT has a 50/50 split between staff and contract costs, throughout 2018/19 savings have been made by reducing vacancies and optimising contract spend, which has avoided any reduction in permanent staff. With the further requirement for savings ICT is now focusing on making efficiencies by merging teams and reducing the management layer.

This will deliver proposed savings of £690,000 between 2019 and 2020.

Both of the above restructures will also link in to the Customers and Communities proposed saving of £500,000 which also identifies as part of the overall Corporate £3,262,900 projected saving for MTFP 2019/20.

2a. Confidence level

85%

A detailed proposed structure for C&P is in place and the detail has been worked through for ICT. However, any proposals are subject to the outcomes of staff consultation.

In addition, due to the potential for collective consultation and subject to an agreed date of commencement of the process, the new structure is likely to be in place late in May, rather than by 1 April 2019 so will not deliver quite a full in-year effect, 10 months as opposed to 12.

3. Impact on residents, businesses and other organisations:

There will be no impact on resident, businesses and or other organisations.

4. Impact on other services we provide:

Reduced resource across the service will impact on service levels, speed of response and ability to respond to major incidents, particularly in the ICT Service.

5. Impact on staff:

The principles of a proposed approach include;

- Rationalisation of management roles across the Directorate
- Alignment of procurement functions to corporate priorities
- Removing legacy structures in C&P and duplication of tasks with operations
- Focus on commercial activities
- Integrating functions within ICT to form two teams - an Operational and Transformation team
- The ICT restructure will introduce standard change delivery (TSR) as part of the Operations function and separate the Transformational shift to align more closely with Customers

As the outcomes of consultation and potential competency-based interviews for ring-fenced roles cannot be determined at this stage, the number of FTE's is not yet quantifiable.

The number of posts that might be lost is:

6. Resources and support needed to make the change:

As with all restructures the support and advice of HR is essential throughout the process.

7. Timescale to deliver and major milestones:

Detailed restructure agreed at Corporate Affairs SLT Monday	19 November 2018
Collective consultation	December 2018 – February 2019
Anticipated end of consultation	Late February 2019
New structure in place	Late May 2019
Full effect of savings from	1st June 2019

8. Risks and opportunities:

As with the MTFP2 proposed restructure for C&P and ICT, future workload demand will need to be closely managed with each lead Commissioner to ensure additional commissioning demands against the revised team structure can flex or increase to accommodate and ensure delivery of requirements and reduce service risks.

Risks

- Reduced levels of service delivery as a result of the reduction in resources
- Delayed consultation will impact of 19/20 in year savings

Mitigation

- Prioritisation of workload focussed on organisation priorities and clearly published commissioning intentions
- Closely managed future workload through workload tracking/plans.

However, this restructure is an opportunity to introduce more efficient ways of working, maximising the opportunity for synergies across the Directorate.

9. Dependencies:

The outcome is subject to an internal consultation process with the effected teams and unions. At this formed part of the overall collective consultation of 45 days which started on the 29th November.

10. Initial Equality Impact Assessment:

Equalities Impact Assessment will be incorporated into the HR Business case.

11. Consultation and Communications plan:

A staff and union consultation will be undertaken. This will adhere to the agreed internal process, including staff briefings and 1-2-1's with potentially effected staff.

12. Legal Implications:

Legal have identified the need for an EIA to be completed which will form part of the HR Business Case

In regard to ICT need to be aware that the Applications team supports business critical applications that enable statutory functions, this function could be reduced but not stopped.

13a. Financial Savings – net change to service budget in each year:

Please note that there is a £220,000 CRF dependency for 2019/20 which will be reviewed annually. However, the overall total (£690,000) will remain ongoing as the 2020/21 shortfall as a result of the £220,000 being a one-off will be mitigated by Phase 2/3 of the restructure.

Are the savings evidenced based (evidence should be included with this template)?	Yes
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If no, when is the evidence expected?	N/A
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Please note: these figures should be cumulative

£s	Savings	Income Generated	Cost Involved (also see 13b)	Total	Ongoing or One-off?
2019/20	£645,000	£	-£	£645,000	ongoing
2020/21	£45,000	£	-£	£45,000	ongoing
2021/22	£	£	-£	£	
2022/23	£	£	-£	£	
2023/24	£	£	-£	£	
Total	£690,000	£	-£	£690,000	ongoing

13b. One-off project costs and income (not included in above):

£'000's		
2019/20	Capital Costs	-£
	Capital Receipts	£
	Estimate of Redundancy costs	-£
	Estimate of Resource costs to deliver	-£
	Sub-total	£
2020/21	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
2021/22	Capital Costs	-£
	Capital Receipts	£
	Estimate of redundancy costs	-£
	Estimate of resource costs to deliver	-£
	Sub-total	£
TOTAL		£