

COUNCIL'S MODERNISATION PROGRAMME

1. SUMMARY

The purpose of this report is to inform the Council of proposals to modernise the management arrangements of the Council and to seek approval for a number of specific future steps and outcomes that arise from these changes.

2. RECOMMENDATIONS

It is recommended that the Council:

- 2.1 Agree as Phase One of the modernisation programme the revised structure of the Council's Strategic Management Team to comprise the Chief Executive, three posts of Executive Director and Head of Strategic Finance as outlined in Appendix 1. The three Executive Director posts are as follows:-
 - Community Services
 - Customer Services
 - Development and Infrastructure Services
- 2.2 Agree as Phase Two of the modernisation programme which is the revised 12 Heads of Service posts, outlined in Appendix 2.
- 2.3 Note that the assessment process will consist of the following:-
 - Written statement as per an application
 - Presentation to the Appointments Panel
 - Presentation to Community Planning partners
 - Assessment and selection testing, including psychometric and competency profiling, assisted by an external organisation, commissioned by the Chief Executive
 - Individual interviews with Chief Executive and Directors
- 2.4 To delegate authority to the Chief Executive to implement the revised structure subject to the cost of reorganisation being recovered within a 3 year period.

- 2.5 Delegate authority to the Chief Executive to agree final designations and remits of the Executive Directors and Heads of Service as appropriate.
- 2.6 Appoint an Appointments Panel to take the process forward.

3. BACKGROUND

- 3.1 Since my appointment to the post of Chief Executive in September 2008, I have taken time to observe and consider the operation and design of the Departments and Chief Officers structure. This is in the context of the Council's Vision, its capacity to improve and the need to focus more overtly on effective outcomes and performance.
- 3.2 There are aspects of the way that the Council operates that in my view require to change if the organisation is to improve and the services delivered to residents in Argyll and Bute are also to improve. In my belief, fundamental to this are behaviours and attitudes.
- 3.3 Although already a Council with what we may consider to be a lean structure at Chief Officer grade, it is my view that change must be led from the Strategic Management Team. The new Departmental structures are designed to facilitate and achieve organisational change. The changes to the structure of the Strategic Management Team will in time stimulate and require further change in the rest of the organisation.

4. CONSIDERATIONS

- 4.1 The introduction of a new structure for the Strategic Management Team, as outlined at Appendix 1, and the move to posts of Executive Director will allow the Council to benefit from these post holders' operating in roles across the Council in addition to their direct operational responsibility for a group of services. This will maximise the integration potential across Departments and places momentum behind the delivery of the Council objectives and better outcomes for the population of Argyll and Bute. This approach creates the opportunity for the flexibility needed to meet the dynamics of the changing environment in which Argyll and Bute Council operates.
- 4.2 Flowing from the appointment of Executive Directors will be the reconfiguration and modernisation at Heads of Service: Appendix 2 outlines the main areas of responsibilities for the new Heads of Service. Modernisation and a more rigorous and focused drive for greater performance and efficiency are critical at this level and will potentially be the single greatest lever for the future success of the Council.

- 4.3 I am advocating that we need a new approach and a new organisational design for the Council. This will require new ways of working. It is imperative that the Council secures the right people to lead, direct and support the strategic delivery of services. In this changed environment, behaviours, attitudes, energy and single minded commitment to the principles of the organisation will be key.
- 4.4 The redesign of the organisation to three Departments will lead to the development and reconfiguration of new service areas and themes. These will be led by new Heads of Service posts which require key leadership competencies, support to strategic corporate working as well as specific professional knowledge and expertise.
- 4.5 Each current Director will be invited to apply for a new Director's post within the structure and each Head of Service will be invited to apply for up to 4 new Head of Service posts. This is subject to maintaining sufficient continuity for the organisation at Director level. Any jobs not filled will subsequently be open to internal or external recruitment as appropriate. This process will be staged, i.e. Directors first, then Heads of Service and should be concluded by the end of February 2010. The Redeployment Policy will apply should any Director/Head of Service not be successful in the selection process.
- 4.6 All new Executive Directors and Heads of Service will have a development plan as part of the process. This will also include myself and be used as part of our Performance Development Review (PDR).

5. RESOURCE IMPLICATIONS

- 5.1 The table below outlines the staff numbers and costs of the existing and proposed new structure. This represents a saving of £370,000 per annum compared to the cost of the current structure. The retirement/exit costs will require to be accounted for in 2009-2010. It is proposed these be met from the General Fund Reserve which will be reinstated in future years from the savings. The Council has a policy of recovering costs within a 3 year repayment period. It is proposed that authority be delegated to the Chief Executive to manage and implement this process

	CURRENT STRUCTURE		PROPOSED STRUCTURE	
	NUMBER	£000	NUMBER	£000
Directors	4	464	3	348
Heads of Service	15	1290	12	1032
TOTAL	19	1754	15	1380

Costs include employers national insurance and superannuation contributions.

6. CONSULTATION

6.1 Public consultation is not appropriate, however, consultation has taken place with Trade Unions.

Sally Loudon
Chief Executive
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