



Belfast City Council

Report to:	Strategic Policy & Resources Committee
Subject:	Rightsizing Exercise
Date:	19 February 2010
Reporting Officer:	Peter McNaney, Chief Executive
Contact Officer:	Julie Thompson, Director of Finance and Resources

Relevant Background Information

The Strategic Policy and Resources Committee, 21 August 2009 granted approval for a trawl for voluntary redundancies (VR) as part of an organisational rightsizing exercise in preparation for the 2010/11 rate setting process.

Committee was advised in November 2009, that as a result of this trawl, 64 applications had been received for VR and these were being evaluated against criteria/principles previously agreed by SP&R Committee.

On 11 December 2009, Committee was advised that:

- The 64 applications had been individually assessed against the payback period and criteria agreed by Committee and 25 applications were potentially acceptable.
- The one off cost to the Council of releasing these 25 staff would be some £2.3 million. It was estimated that this initial investment would lead to staff savings of some £1 million each and every year (i.e. leading to £5m after 5 years), after making the structural changes needed to facilitate the release of some staff.
- The estimated costs of implementing the VR exercise could be accommodated within the financial position for 2009/10.

Members agreed to the voluntary redundancy exercise within the following parameters:

1. 25 staff to be released at a cost of £2.3M with a pay back of 2.3 years and a saving over 5 years of £5m.
2. Net saving of £1M to be achieved in 2010/11;

3. Total cost to be no more than £2.3M with a payback period of no more than 2.3 years;
4. Supernumerary staff to be managed in a time bound manner and resolved by the end of the financial year;
5. Reviews to be conducted and implemented in accordance with BCC HR policies and procedures;
6. Trade Unions to be fully consulted and agreement sought in relation to all releases and structural changes;
7. Further reports to be made to Committee on the progress of this exercise with final structures being reported to Committee for notation;
8. Implement the completed Building Control review, given the costs and savings which have already been identified; and
9. Delegated authority be given to the Chief Executive and the Director of Finance and Resources in consultation with the Budget and Transformation Panel, to release staff on voluntary redundancy, subject to the principles set out above and the final staff structures being established to achieve the savings required in the areas below:

- Chief Executives and Legal Services Department;
- Financial Services (considering future direction of efficiency and performance management) and BIS;
- Parks and Leisure Business Support; and
- Parks and Leisure Operational Management
- Property Maintenance within Property and Projects
- Building Control (*previously reported to Committee Dec 2009*)

In addition, these reviews also support the strategic direction of the Council.

Key Issues

Since the 11 December 2009, the affected departments have been undertaking detailed work with the Council's Business Improvement Services (BIS) on their structures to ensure organisational rightsizing is undertaken within the parameters agreed by Committee. Following this work, the circumstances of one application have been reviewed and the savings can be achieved through the release of 24 staff, rather the original planned 25 staff. The key issues resulting from this work are set out below.

Summary of efficiency savings from reviews by Departments/Service

Department/Service	Vol Redundancies	Savings
Chief Executives and Legal Services	8	£375,364
Finance and Resources	2	£157,777
Parks and Leisure	7	£217,685
Property and Projects	1	£51,136
Building Control	6	£181,307
Total Savings	24 posts	£983,269

Overview of key issues by department

Chief Executive's and Legal Services Departments (Appendix 1)

The overall aim of these reviews was to rationalise and integrate the workload across both departments.

The following areas were included in this review:

Legal Services Department; Chief Executive's Support; Committee and Members' Services (including the Lord Mayor's Unit); Departmental Business Support including Records Management; Corporate Communications; Good Relations; Strategic Policy and Planning; Registration Services. The overall senior management structure was also considered and the key recommendations were:

- Deletion, creation, re-designation and re-grading of posts have all allowed improved and streamlined functional arrangements for the new Chief Executive's Department (see chart in Appendix 1.1).
- All posts previously identified for voluntary redundancy can be released.
- It is also proposed that the function of Planning and Policy would transfer to the Chief Executive's Department. The function would incorporate all elements of strategic policy and planning (including Community Planning), support to the Chief Executive and Chief Officers as a team, including the support previously provided by the Chief Executive's Business Support Manager.
- Business support is now centrally located within the new department.
- The post of Head of Committee and Members' Services is deleted; the post of Principal Committee Services Administrator is re-designated as the Democratic Services Manager who will manage the new Democratic Services Unit and a re-constituted Lord Mayor's Unit, to enhance civic dignitaries' support
- The Director of Legal Services is re-designated as the Town Solicitor and Assistant Chief Executive, to take onboard day to day operational management of the functions within the new Chief Executive's Department.
- Legal Services will also gain a new post of Legal Services Manager; a revised functional structure and dedicated support for the senior legal staff.
- Registration (BDM&CP) moves under the departmental business support function.

The financial outturn following these reviews is a total saving of **£375,364** (including on-costs for employer's National Insurance and Superannuation contributions).

Parks and Leisure Services Department (Appendix 2)

The overall aim of the review was to rationalise the Parks Operational Management tier and Business Support structures to develop streamlined structures which will deliver improved decision making processes and promote accountability across all tiers of management.

The following outcomes are required to enable the council to meet the challenges ahead:

- Deletion, creation, re-designation and re-grading of a number of posts have all been necessary to provide the opportunity to create improved and streamlined functional arrangements for the Parks Operational Management tier and the business support function servicing the department.
- The release of all posts previously identified for voluntary redundancy
- The approval and implementation of a Parks and Leisure Improvement programme

across the Parks and Leisure Department.

- The approval of the business case for the creation of the new post of Head of Parks and Leisure Services to provide a focus for the integration and delivery of services across the department and the delivery of the Parks and Leisure Improvement programme.

This new structure has been supported by the Parks and Leisure Committee at its meeting on 11 February 2010. The financial outturn following this review is a total saving of **£217,685** (including on-costs for employer's National Insurance and Superannuation contributions).

Finance and Resources Department (Appendix 3)

The key functions considered in this review were operational and strategic finance; policy and planning; efficiency; organisation development and improvement; performance management; and customer focus.

The following recommendations are proposed following the review to enable the council to meet the challenges ahead:

- Delete the posts of Head of Financial Services, Core Improvement Manager and Principal Consultant
- Move the function of performance management from the outgoing Core Improvement Department to the Finance and Resources Department
- Create a new and enhanced Head of Service post with responsibility for Finance, Performance Management and Efficiency.
- Move the function of Policy and Planning from the outgoing Core Improvement Department to the Chief Executive's Department.
- Move the people aspects functions of organisation development and the responsibility for organisation establishment and structures (including job evaluation; categorisation and job descriptions) to HR to support the framework currently being developed to ensure the robust monitoring and management of all employee costs.
- Move the functionality of 'Customer Focus' from Core Improvement Department to the Finance and Resources Department.
- Agree a programme of work to align existing staff to the functions of policy and planning; efficiency; organisation development and improvement; performance management; and customer focus.

The financial outturn following these reviews is a total saving of **£157,777** (including on-costs for employer's National Insurance and Superannuation contributions).

Property and Projects Department (Appendix 4)

The organisation structure for Property Maintenance was examined and verified to ensure the business case for the release of one post on voluntary redundancy.

The financial outturn following this review is a total saving of **£51,136** (including on-costs for employer's National Insurance and Superannuation contributions).

The detail of each review area can be found in the attached appendices.

Current Status of VRs and Supernumerary staff

In terms of the VR exercise, 21 staff out of the 24 staff discussed above have been placed on their notice. It is anticipated that the remaining 3 staff will be released during the first quarter of 2010/11. There has also been an additional transferred one to one redundancy to support the release of a supernumerary member of staff (see below).

At its meeting in December 2009, Strategic Policy and Resources Committee agreed that supernumerary staff should be managed in a time bound way. There were four such staff in posts above the establishment. Since then one supernumerary employee has been redeployed into a vacant established post; one has been redeployed into an occupied established post on a one to one transfer VR; one has been deployed to a task and finish piece of work to be released on VR in Feb 2011 unless employment status changes; and one has been placed on three months notice of compulsory redundancy. The Council will continue to seek suitable alternative employment for this employee during the notice period.

Resource Implications

Financial

If the recommendations contained in this report are accepted then they will result in a net saving of **£983,269 annually on an ongoing basis.**

Human Resources

It was agreed by SP&R Committee on the 11th December 2009 that all the reviews would be conducted and implemented in accordance with BCC HR policies and procedures.

For those reviews which do not have full agreement at this stage there will be further consultation with Trade Unions and employees to agree final positions and implementation will be in accordance with the relevant HR policies and procedures.

Recommendations

1. To note the contents of this report.
2. Agree that authority be delegated to the Chief Executive and Director of Finance and Resources in consultation with the Budget and Transformation Panel, to implement these reviews and achieve the savings, subject to the relevant HR policies and procedures and consultation with staff and trade unions.
3. If members approve recommendations 1 and 2, agree to delegate authority to the Director of Finance and Resources to recruit and appoint the post of Head of Finance and Performance. This post would be recruited in accordance with the RPA Vacancy Control procedure, in consultation with the Local Government Staff Commission, with the outcome reported to the Committee for notation.

Decision Tracking

The responsible officer to oversee the implementation of these recommendations will be the Director of Finance and Resources.

Key to Abbreviations

BCC – Belfast City Council
BDM&CP – Birth Deaths Marriages and Civic Partnerships
BIS – Business Improvement Section
HR - Human Resources
RPA – Review of Public Administration
SP&R – Strategic Policy and Resources
VR - Voluntary Redundancy

Documents Attached

Appendix One	Chief Executives and Legal Department
Appendix Two	Parks and Leisure Services Department
Appendix Three	Finance and Resources Department
Appendix Four	Property Maintenance within the Property and Projects Department

CHIEF EXECUTIVE’S & LEGAL SERVICES’ REVIEWS

Terms of Reference

The main aim of the review was to create a more effective and efficient corporate centre.

The following areas were reviewed:

Legal Services Department	Chief Executive’s Support
Committee and Members’ Services (including the Lord Mayor’s Unit)	Departmental Business Support (including Records Management)
Corporate Communications	Good Relations
Strategic Policy and Planning	Registration Services

The overall senior management structure was also considered.

This was done in line with the high-level objectives set out on page 29¹ in the Sector report on the review of the centre (submitted to committee in June 2009). It will be subject to such amendments approved by the Chief Executive for operational or functional arrangements.

The recommendations also build upon previous work carried out in relation to structures, performance, efficiency and effectiveness.

An operational report is available which shows the detail behind the recommendations.

Key Issues/Recommendations

- Recommendations were explored and challenged in terms of practicality, cost efficiency and appropriate procedures.
- A revised functional arrangements chart for the new Chief Executive’s Department is attached (see Appendix 1.1).
- The business case has been made to allow the release of all posts previously identified for voluntary redundancy.
- The deletion of a number of other posts (including a number of long-term vacant posts and those with duties no longer appropriate or sufficiently focussed) and the creation of a number of new posts.
- The re-designation of a number of posts to better reflect their revised responsibilities within a new department.
- Business support is centrally located within the new department as first advocated by the Review of the Centre report by Sector.

¹ The high-level objectives from page 29 of the Sector report are stated as:

- Providing effective support to the Strategic Policy & Resources Committee, COMT and departments;
- Providing more efficient and better value for money services;
- Releasing resources that can be reinvested into front line services;
- Releasing resources that can be used for capital investment; and
- Getting the organisation ready for RPA.

- Work is ongoing to develop fully formed job descriptions and have these properly job evaluated.

Set out below are the proposals for each element of the re-structuring which makes up the overall review. They are separated into sections representing each area of review.

1. Committee and Members' Services – to be re-titled as Democratic Services

Key changes involve the deletion of the Head of Committee and Members' Services post and the re-designation of the Principal Committee Services Administrator as the Democratic Services Manager. This post will manage the new Democratic Services Unit and a revised Lord Mayor's Unit – gaining a complement of fewer support officers to meet the needs of and support our civic dignitaries.

Support for Members is further enhanced through the re-designation of the Director of Legal Services as the Town Solicitor and Assistant Chief Executive, to ensure Members access to advice on corporate governance and procedure is maintained at a high level.

2. Business Support – re-titled as Departmental Business Support

The numbers of staff have been based on a centralisation of business support into the department's core. This means that this will be the section that advises upon and monitors corporate standards and policies for the Director and managers (a major role of the upper tier posts).

Registration (BDM&CP) moves from the previous Corporate Services Department to under the Chief Executive's departmental business support function, as the operational management is largely under the direction of the General Register Office. The Records Management Unit is repositioned into the legal division.

3. Corporate Communications

There is a need to rationalise the nature of the organisation structure around internal and external communication and balance the management responsibilities. Key changes involve the deletion of the posts of Media Relations Manager, one Media Relations Officer and the creation of a post of Senior Media Relations Officer.

4. Good Relations

The key issue is the re-designation of the post of Good Relations Manager to take account of the post assuming responsibility for the Peace III programme, with its budgetary commitments and management structure.

5. Legal Services

To ensure an improved level of legal support and advice to the council and its Members, the Director of Legal Services takes on additional responsibilities and an enhanced role within the new Chief Executive's department and is re-designated as the Town Solicitor and Assistant Chief Executive.

The Legal Services Department has been re-configured, the main changes involving the direct management of fellow professionals (in legal 'divisions') by a new post of legal services manager (with the deletion of one post of Principal Solicitor) and the provision of direct support for professional legal staff by dedicated business support staff – "legal administrators".

The current post of Business Support Manager is re-designated as the Chief Executive's Departmental Support Manager.

6. Planning and Policy Function – transfer function from Core Improvement Team into Chief Executive's

It is recommended that the Planning and Policy function transfers to the Chief Executives Department. The function would incorporate all elements of strategic policy and planning (including Community Planning), support to the Chief Executive and chief officers as a team, including the support previously provided by the Chief Executive's Business Support Manager. The post of Strategic Planning Manager will therefore be redesignated and a programme of work will be developed to align existing staff to the functions of policy, planning and performance management.

7. Chief Executive's Support Unit

This unit has been supplemented for a number of years with a number of seconded staff with temporary roles. This situation has now been regularised with re-titled posts and the appropriate levels of support for the Chief Executive and Chief Officers Management Team.

Financial Overview

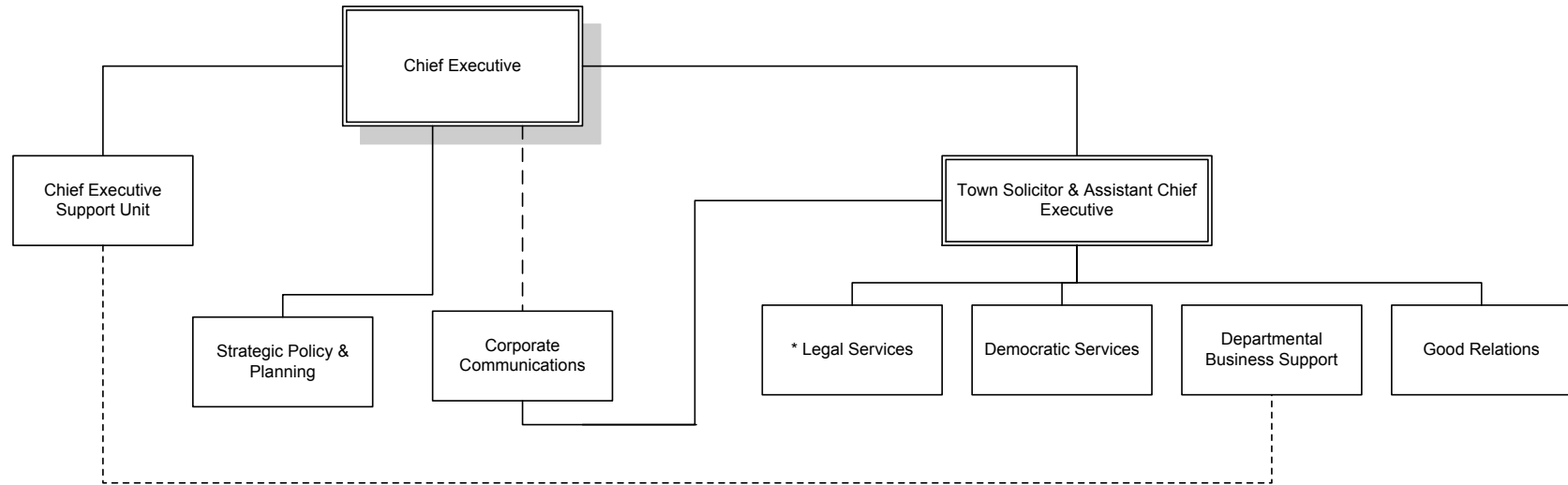
Table 1 below sets out the financial implications of the recommendations made earlier in this report. Employee costings include on-costs for employer's National Insurance and Superannuation contributions.

Table 1

Financial Implications
The overall financial implications of this review is a saving of £375,364

The proposed functional structure is attached.

Proposed Chief Executives Department - Overview - February 2010



**REVIEWS OF OPERATIONAL MANAGEMENT WITHIN PARKS AND
CEMETERIES SERVICES AND BUSINESS SUPPORT WITHIN PARKS AND
LEISURE DEPARTMENT**

Terms of reference

The purpose of conducting both reviews was to develop an integrated service delivery which maximises the benefits of both the Parks and Cemeteries and Leisure Services to the community and general public. This will assist the department to enhance health, wellbeing and active living, make facilities shared, address anti social behaviour and build relationships with communities.

More comprehensive reports are available which shows the detail behind the recommendations in both Parks reviews. The outcome of this review has been discussed and supported by the Parks and Leisure Committee at its meeting on 11 February 2010.

Key Issues/Recommendations

- In order to progress the Parks Operational Management Review within the tight timescales, it has been agreed to proceed in a series of phases i.e. Phase I the Operational Strand; Phase II reviews of the Parks Development Strand; and Phase III reviews of Bereavement Services and Leisure Services
- The key issues of the Phase I review include improved community and operational focus with the development of specific posts of Open Space Community Managers and Open Space Operations Managers.
- The key issues of the business support review include clarification of roles and responsibilities around the HR and Finance functions; enhanced role to support continuous improvement and performance management and reporting; more effective communication and improved management decision making; rationalisation of roles and responsibilities to provide synergies and economies of scale across the business support unit; and the identification of two defined strands (HR/Admin and Finance/Systems) which is in line with the other business support units across the council.
- At present there is no senior manager post to oversee the operations of the Parks and Leisure Department. The creation of a more senior post would allow for better management of the integration and delivery of services across the department. In order to provide the synergy required across both Services it is necessary to remove the current solo focus at a senior level in both the Parks and Leisure Services. Therefore, the posts of Leisure Services Manager (PO 11) and the budgeted Parks and Cemeteries Senior Manager post (PO11) would no longer be required and should be deleted.
- The cost of the new Head of Parks and Leisure (working title) post would therefore be offset against the savings of the two deleted PO11 posts.

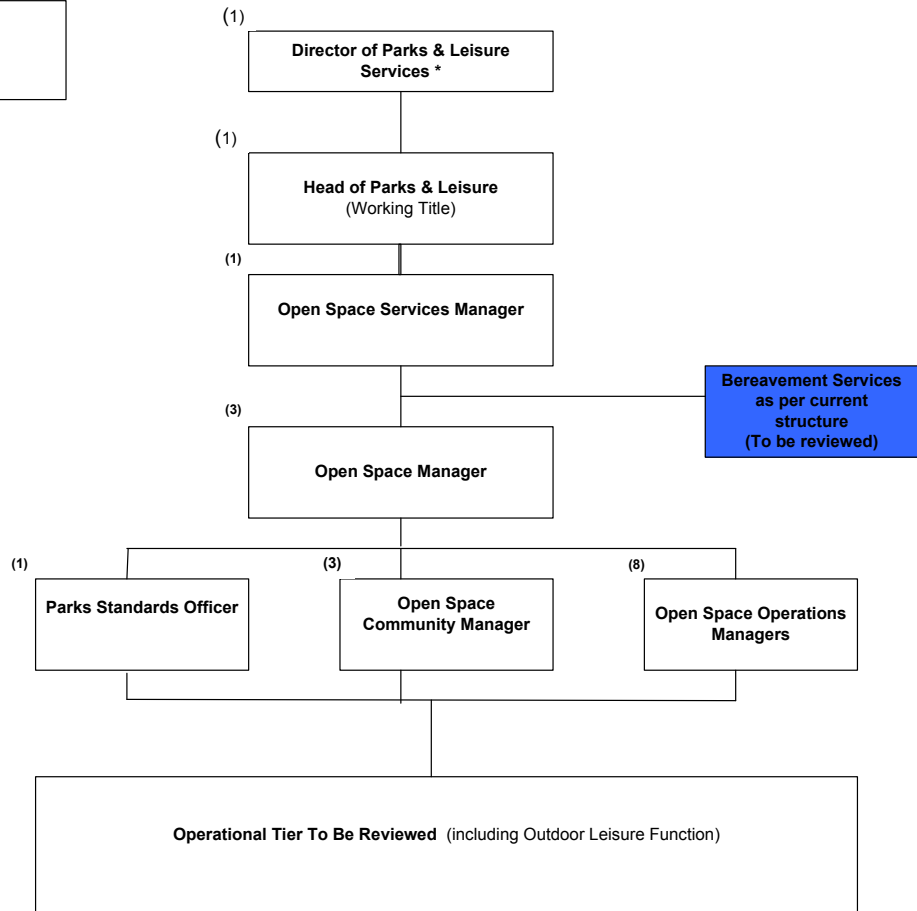
Financial Overview

Shown below are the financial implications arising from the recommendations from the two reviews. The figure includes employer on-costs for employer's National Insurance and Superannuation contributions.

Financials
The total saving for these reviews amounts to £217,685

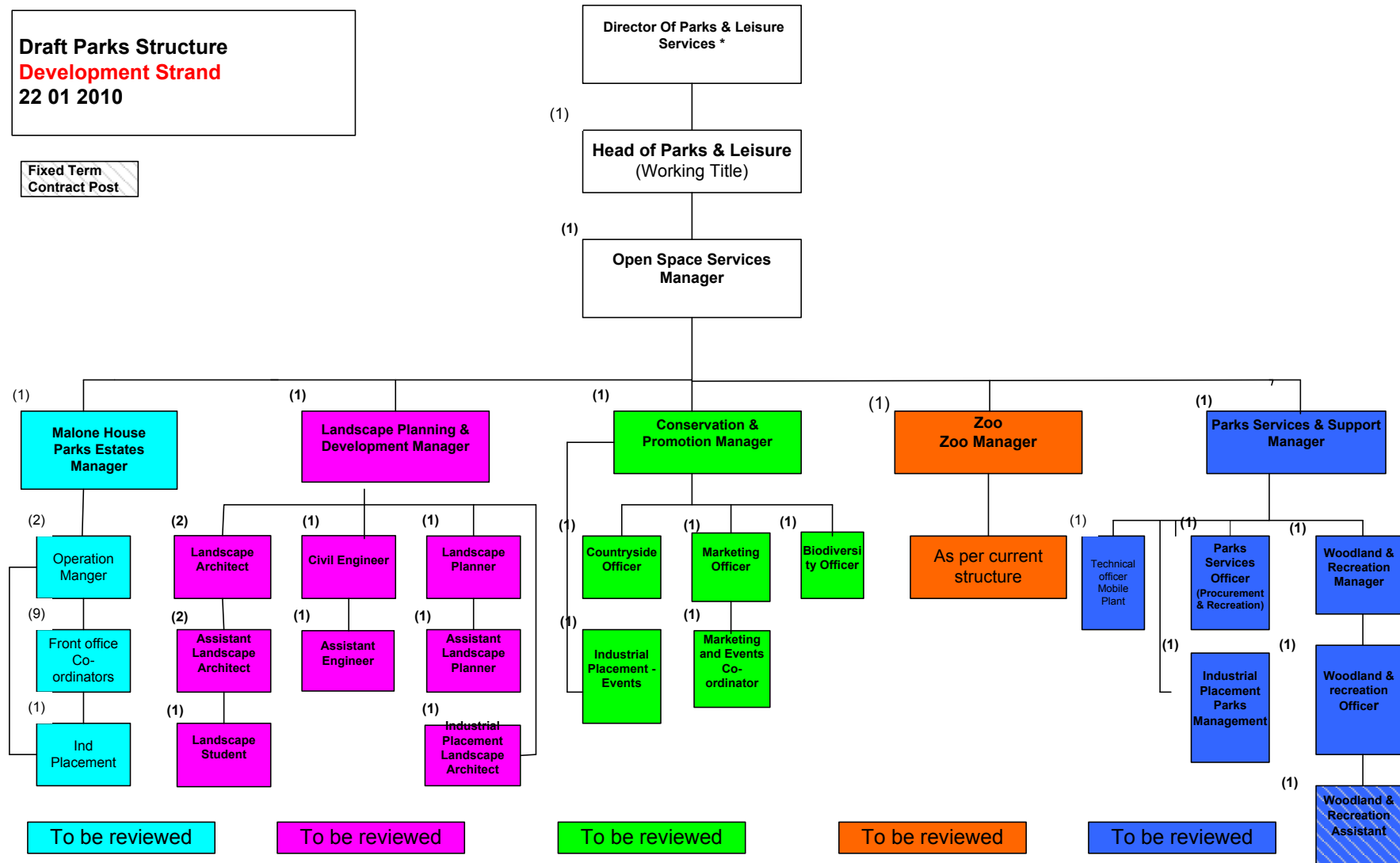
The proposed organisational structures are attached.

Draft Parks Structure
Operational Strand
22 01 2010 (8)



Draft Parks Structure
Development Strand
22 01 2010

Fixed Term
 Contract Post



FUNCTIONAL REVIEW OF FINANCIAL SERVICES

Terms of Reference

In this changing economic and corporate climate there is a significant emphasis on efficiency, value for money, performance reporting, performance management, and transformational change. The following functions were therefore considered within the review;

Financial Services – Operational & Strategic
Core Improvement Section (CIT) (Policy & Planning/Performance Management functions – specifically Performance Management & Efficiency)
Business Improvement Section (BIS)

Key Issues/Recommendations

There is a need to substantially alter the current operational Head of Financial Services, and develop a new role which can drive efficiency, future financial planning and performance in a more strategic manner. The following recommendations will further ensure that the department meets the challenges and changes required for the future.

- It is proposed that the current post of Head of Financial Services be deleted and a new and enhanced Head of Service post be created with responsibility for Finance, Performance Management and Efficiency. The post will require a strong strategic perspective to support the new Director of Finance and Resources in setting the direction for the Department and supporting the organisation with regard to corporate business planning, budgetary and financial management, and performance and efficiency management.
- The functions currently located within Financial Services should be consolidated into two units namely Operational Finance and Strategic Financial Management. These units will report to the proposed new post of Head of Finance, Performance Management and Efficiency.
- It is proposed that the interim post of Core Improvement Manager be deleted and that the Policy and Planning function from CIT be re-established within the Chief Executive's department and report directly to the Chief Executive.
- The Performance Management function from CIT should be re-established within the Finance and Resources department and report directly to the proposed new Head of Finance, Performance Management and Efficiency.
- The high level structure of BIS was examined and due to the recent economic downturn and reduction in income, it was decided that one post of Principal Consultant should be deleted from the BIS structure in support of the VR exercise.
- It is also recommended that the people aspects of organisation development and the responsibility for organisation establishment and structures (including job evaluation, categorisation, and job descriptions) move to HR to support the framework currently being developed to ensure the robust monitoring and management of all employee costs.
- It is proposed that the functionality of 'Customer Focus' will be incorporated into the Finance and Resources Department.
- It is proposed that a programme of work is developed and agreed to align existing staff to the functions of policy and planning; efficiency; organisational development and improvement; performance management and customer focus.

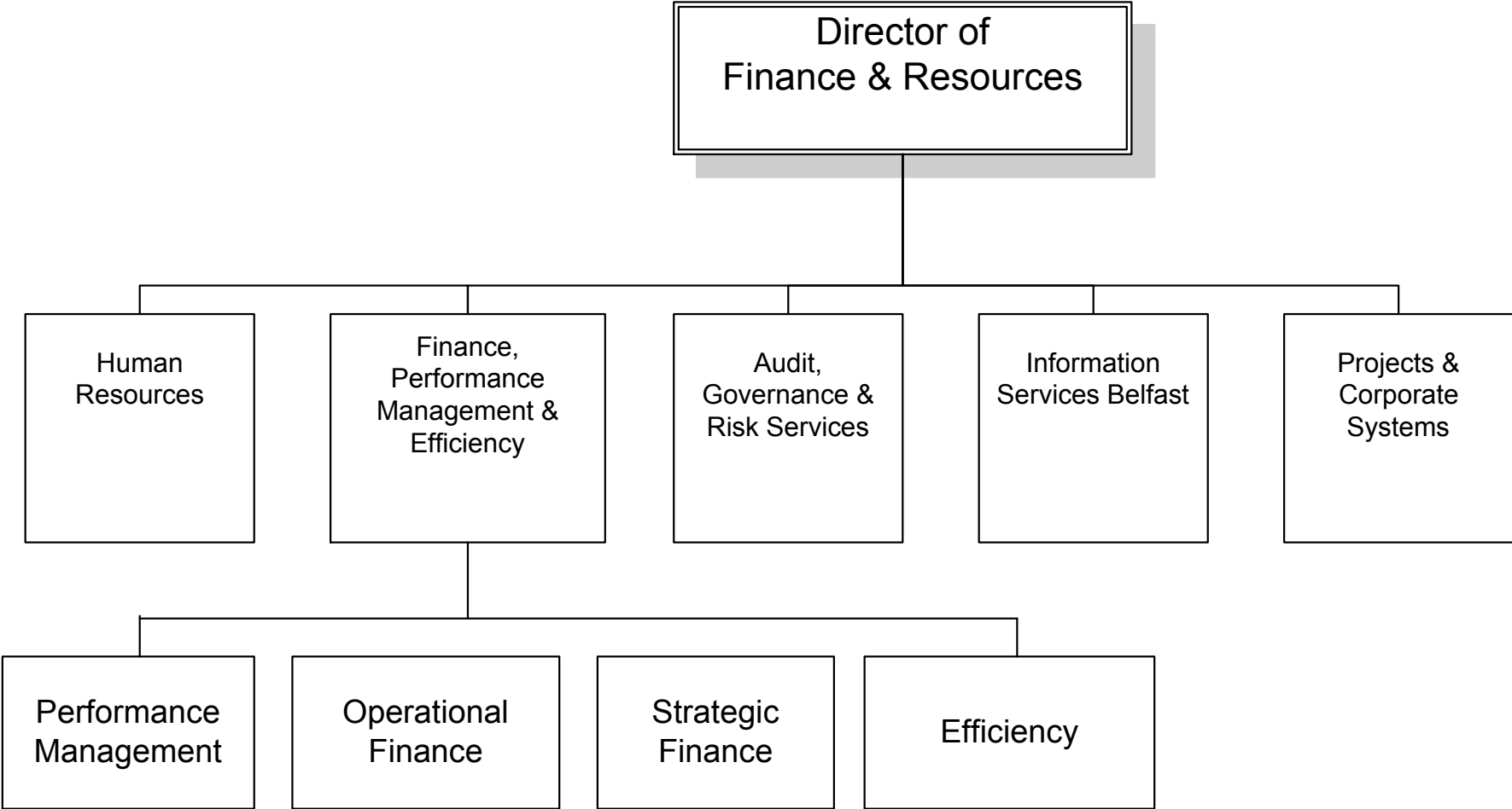
Financial Overview

The table below details the financial implications of the recommendations from the review. The figure includes on-costs for employer's National Insurance and Superannuation contributions.

FINANCIALS

The total saving for this review will amount to **£157,777**

Functional Overview



**PROPERTY MAINTENANCE WITHIN
PROPERTY AND PROJECTS DEPARTMENT**

Terms of Reference

The organisation structure for Property Maintenance was examined to ensure there was a valid business case for the release of one post on voluntary redundancy. The relevant post under consideration in the Property Maintenance Structure is that of Technical Support Manager.

Key Issues/Recommendations

- The role and remit of the post has reduced.
- The post no longer has any responsibility for architectural matters.
- The duties of a dedicated Compliance Officer post impinge on the remit of the post.
- Some more-strategic responsibilities are more usefully located with the higher-level post of Property Maintenance Manager.
- Remaining operational duties can be dealt with by the remaining post of Property Officer (Building & Procurement)
- A further job evaluation exercise will need to be carried out for a number of affected posts and this has been allowed for in the costings.

Financial Overview

Shown in table 1 below is the financial implication of the recommendations made in the review. This is an employee costing and includes on-costs for employer's National Insurance and Superannuation contributions.

Table 1

Financial Implications
The overall financial implications of this review is a saving of £51,136