

EAST AYRSHIRE COUNCIL

CABINET – 24 FEBRUARY 2010

REVISED MANAGEMENT ARRANGEMENTS AT CHIEF OFFICER LEVEL IN THE DEPARTMENTS OF CORPORATE SUPPORT AND NEIGHBOURHOOD SERVICES

Report by Chief Executive

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to recommend to Cabinet revised management arrangements at Chief Officer level within the Departments of Corporate Support and Neighbourhood Services.

2. BACKGROUND

- 2.1 At its meeting on 23 November 2006 the then Policy and Resources Committee approved certain revisions to the Council's management structure. In approving the report it was acknowledged by the Committee that further changes to the structure would be recommended where appropriate.
- 2.2 Elsewhere on this agenda Cabinet will consider an application for early retirement from the Executive Director of Neighbourhood Services. Approval of this application will require revisions to the management arrangements which will strengthen further the current arrangements and allow further efficiencies to be made.
- 2.3 In making the proposals contained in this report, it is not intended to materially alter the current departmental structure and in fact the proposals will consolidate the structures and will enhance the synergies between services i.e. all of the Council's resources i.e. financial, human and capital will be placed in one department. In addition, the location of the Planning and Economic Development Service within the Department of Neighbourhood Services will align all the key elements which support the Council's key objective of physical and economic regeneration.

3. PROPOSALS

- 3.1 The following actions are proposed:
- a. the current Depute Chief Executive/Executive Director of Corporate Support will move to the Department of Neighbourhood Services as Depute Chief Executive/Executive Director of Neighbourhood Services;
 - b. the Department of Corporate Support will be re-titled the Department of Finance and Corporate Support;
 - c. the Finance and Asset Management Service will transfer into the Department of Finance and Corporate Support from the Chief Executive's Office;

- d. the Executive Head of Finance and Asset Management will take up the post of Executive Director of Finance and Corporate Support and will retain his status as Section 95 Officer;
- e. the existing post of Executive Head of Finance and Asset Management will be deleted from the establishment and a post of Head of Finance will be established within the Department of Finance and Corporate Support on Chief Officer Grade 34 (£75,285);
- f. responsibility for the Asset Management Service will be assumed by the Head of Information Technology whose grade will be revised to Chief Officer 34 (£75,285) from 32 (£71,934) and will be redesignated as the Head of Information Technology and Asset Management. This proposal will deliver clear advantages for both divisions given their clear interdependencies; and
- g. the Planning and Economic Development Service will move from the Department of Corporate Support to the Department of Neighbourhood Services

3.2 In order to achieve the organisational benefits outlined in Section 2 above, it is proposed that Cabinet agree that the existing requirement that Chief Officer posts be advertised nationally is suspended in respect of the posts of Depute Chief Executive/Executive Director of Neighbourhood Services, Executive Director of Finance and Corporate Support and Head of Information Technology and Asset Management.

3.3 Recruitment to the post of Head of Finance will be carried out by an Appointments Panel of Elected Members in accordance with the arrangements set out in the Council's Recruitment and Selection Procedures.

4. HUMAN RESOURCES IMPLICATIONS

4.1 The human resources implications of the proposals contained in this report are as follows:-

	Designation	Deletion	Addition	Grade - Salary
1.	Executive Head of Finance & Asset Management	1	--	CO43 - £90,366
2.	Head of Finance	--	1	CO34 - £75,258
3.	Head of Information Technology	1	--	CO32 - £71,934
4.	Head of Information Technology and Asset Management	--	1	CO34 - £75,258
5.	Administration Officer	1	--	G7 - £20,912 - £22,823

5. FINANCIAL IMPLICATIONS

- 5.1 The financial implications of the proposals set out in section 3 of this report will be a saving of £42,175 p.a. including employers' contributions. This figure includes savings which will accrue from the deletion of an administrative support post to the Executive Head of Finance and Asset Management which is being dealt with separately on the Cabinet agenda.

6. POLICY/LEGAL/RISK IMPLICATIONS

- 6.1 The implementation of the revisions to the management structure will allow the Council to better meet its business objectives and rationalise the position of certain Chief Officer posts.
- 6.2 In addition to the business benefits referred to in paragraph 6.1 above the proposals will also allow the Council to continue to maintain the highest standards of financial management and probity. In this connection, the Chartered Institute of Public Finance and Accountancy (CIPFA) in its most recent guidance on the Role of the Chief Financial Officer in Local Government states unequivocally that the Chief Financial Officer should be professionally qualified, report directly to the Chief Executive and be a member of the Leadership Team, with a status at least equivalent to other members. CIPFA recommends that organisations should use the Statement as the framework to benchmark their existing arrangements, and that they should report publicly on compliance to demonstrate their commitment to good practice in both governance and financial management. CIPFA also recommends that organisations should report publicly where their arrangements do not conform with to the compliance framework in the Statement, explaining the reason for this.
- 6.3 Consultation has also taken place with the Council's External Auditor on the proposals contained within this report. The External Auditor has confirmed his satisfaction with the proposals overall and in particular has indicated his support for the arrangements proposed for the Finance Service including the Section 95 Officer, recognising that this is in line with CIPFA's most recent guidance on the matter.

7. TRADE UNIONS

- 7.1 The Council's proposals have been issued to the Trade Unions for consultation.

8. RECOMMENDATIONS

- 8.1 It is recommended that Cabinet agree, subject to Cabinet's approval of item 20 on this agenda:-
- (i) to recommend to Council, approval of the revisions to the Council's management structure as detailed in paragraph 3.1 of this report;
 - (ii) that, subject to Council approval in terms of recommendation (i) above, in respect of paragraphs 3.1 (a), (d) and (f), section 6.1.3 of the Council's Recruitment and Selection procedures in respect of Chief Officers be suspended;

- (iii) to note that further reports will be submitted to Cabinet in due course in respect of other aspects of the Council's wider management structures; and
- (iv) to otherwise note the content of the report.

Fiona Lees
Chief Executive

19 February 2010

LIST OF BACKGROUND PAPERS

1. East Ayrshire Council's Recruitment and Selection Procedures approved by Corporate Governance Committee – 16 February 2006.
2. CIPFA Code of Guidance:- The role of the Chief Financial Officer in Public Service Organisations.
3. CIPFA Statement on the role of the Chief Financial Officer in Local Government.

Members wishing further information should contact Martin Rose, Head of Human Resources, Tel: (01563) 576092.

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