

EAST HERTS COUNCIL

CORPORATE MANAGEMENT TEAM – 27th November 2007

REPORT BY HEAD OF BUSINESS SUPPORT SERVICES

BUSINESS SUPPORT SERVICES STRUCTURE

WARD(S) AFFECTED: ALL

RECOMMENDATION – that (A) the proposed Business Support Structure as detailed in Appendix A be adopted.

(B) The structure of the Business Support Services unit continue to be kept under review to improve its position as being fit for purpose.

(C) CMT provide a steer on the organization positioning of internal audit, insurance, risk management and health and safety support services.

(D) CMT provide a steer on the organization positioning of markets and land drainage.

1.0 Purpose/Summary of Report

1.1 Following the senior management review it is appropriate to put in place a structure for the newly formed Business Support Services unit. The review of the structure has followed project management techniques and a project initiation document (PID) was submitted to the Director of Internal Services on 23 July 2007. The purpose of the review is to put in place a structure of Business Support Services that will help East Herts Council:

- become an excellent Authority,
- provide first class services and value for money,
- provide leadership to its communities,
- be accessible, welcoming and reliable, and
- promote service and performance improvement

1.2 This report provides an initial structure for Business Support Services so that a management infrastructure is formed and can develop. Many of the soft management aspects of running the set of services has been compromised by the lack of clear structure and roles. The Head of Business Support Services is keen to develop management linkages and clarity over roles that are required to deliver the above corporate goals. Continued review of the structure will take place so that further refinement can realize improved efficiency and improved customer care.

2.0 Contribution to the Council's Priorities

2.1 Effective structural and cultural arrangements within the Business Support Services unit contributes to the Council's Priority:

Fit for purpose, services fit for you

Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.

3.0 Background

3.1 The Director of Internal Services appointed the Head of Business Support Services on 13 July 2007 who was tasked to propose a service delivery structure model for Business Support Services that supported East Herts Council's vision and priorities i.e. is fit for purpose.

4.0 Report

4.1 The scope of the review was to:

- Identify an appropriate structure, resources and management culture within Business Support Services that allows the Head of Business Support Services to provide strategic and operational management direction and have sufficient capacity to allow involvement in major corporate projects and initiatives.
- Identify the resources and structure required to provide an independent and objective internal audit service capable of delivering an "adequate and effective" audit service in compliance with statutory requirements.
- Determine the level of consultancy resource over and above the minimum statutory audit requirements and to identify appropriate arrangements.
- Provide existing non-direct audit services by employees not involved in audit duties.

- Explore the potential for grouping of Insurance, Risk Management and Health and Safety support services.
 - Provide a structure framework that results in optimal usage of the Shared Procurement Officer and the two existing Purchasing Officers.
 - Ensure the structure of ICT supports the adopted recommendations contained in the SOCITM review dated June 2007.
 - Provide a structure that delivers appropriate arrangements for facilities management.
 - Identify improved arrangements for customer relationship and customer care provided by Business Support Services.
 - Agree appropriate corporate arrangements for the management of Markets.
 - Agree appropriate corporate arrangements for Land Drainage.
- 4.2 A proposed structure for Business Support Services is given at Appendix A. The structure requires no existing staff to be made redundant, however, a number of line management changes are proposed to overcome existing weaknesses and give greater focus to corporate goals. Cultural development of managers will be encouraged in the medium to long term via one to ones, PDRS scheme, service planning targets and the development of an improved performance management framework. Managers will be required to participate in corporate activities such as budgeting and medium term financial planning, health check mechanisms, service planning and committee attendance/member support.
- 4.3 On 12 September 2007 the Head of Business Support Services was appointed by Council as the statutory Section 151 Officer also known as the Chief Finance Officer. In order to provide sufficient independence of internal audit, the proposed structure allows the Internal Audit & Consultancy Manager right of independent reporting line to all members and officers of the Council, a feature of the old post of Head of Internal Audit. The Audit Manager is not a “like for like” replacement for the Head of Internal Audit as the Head of Business Support Services will continue to be ultimately responsible for the Internal Audit provision both through line management responsibilities and through the statutory Section 151 Officer role of the Chief Finance Officer.
- 4.4 The structure proposes that the size of the Internal Audit section is set at 2.4 full time equivalents. In order to size the plan so that it can be delivered by 2.4 members of staff it will be necessary to strip out the high level governance issues that will continue to be supported by the Head of Business Support Services and the non-

direct activities that will be delivered by the Procurement Officer and Purchasing Officers. The appointment of the Deputy S151 is not a feature of this structure review. 2.4 Auditors will provide a very lean service and the continued feasibility of this input to provide an “adequate and effective system of internal audit” must be kept under review. In the event of any future major fraud would require a need to outsource audit work to deal with the increased work. A section comprising 2.4 FTE Auditors will not provide a working resource to undertake significant consultancy work for management.

- 4.5 The structure provides for the grouping of the insurance function under the Internal Audit & Consultancy Manager. Given the synergies between internal audit, insurance, risk management and health and safety work the scope for drawing this range of services together under one manager has been raised. A further piece of work is required to confirm the optimal positioning of these support service functions which are currently positioned within the Director of Internal Services and Director of Neighbourhood Services’ departments. A steer from Corporate Management Team is welcomed, however, consolidation of services into one area will require the migration of support staff.
- 4.6 The proposed structure recommends that the new Procurement Officer has the Internal Audit & Consultancy Manager as her day to day line manager with work plans and outcomes being monitored by the Head of Business Support Services and the Director of Neighbourhood Services as Chair of the Procurement Group. The position of the two Purchasing Officers has been under consideration for a couple of years and the proposed structure has the Internal Audit & Consultancy Manager as their line manager but the two officers will be continue to undertake work for a range of areas including Facilities Management, Purchasing, and non-direct internal audit activities (returned cheques, contracts register, cheque control) the Procurement Officer will also undertake the non-audit activity of financial appraisals.
- 4.7 The SOCITM review dated June 2007 confirmed that the structure of Information & Communications Technology (ICT) was appropriate. The structure puts on a firm footing the placement of ICT Development, PC and Support and Network & Systems Support. The structure also recommends that the Head of Business Solutions and IT be redesignated the Information & Communications Technology Manager and that the soft facilities services of Printing & Post, Word Processing, Graphic Design and Desk Top Publishing and Archiving now report to the Facilities and Property Maintenance

Manager. This change will afford the ICT Manager greater time to focus on implementing the SOCITM recommendations and to develop an ICT Strategy, robust ICT business continuity arrangements, an effective ICT Development Plan and to contribute towards ICT issues that will arise as East Herts Council changes its working arrangements. The movement of soft facilities areas under the Facilities and Property Maintenance Manager consolidates the soft and hard facilities maintenance areas.

- 4.8 The softer cultural issues of improving customer relationship and customer care will be delivered through line management direction, staff training, PDRS, service planning development of the performance management framework. The SOTICM review recommends that the ICT help desk should be staffed by non-technicians; it seems appropriate to broaden the help desk activities so that it encompasses both ICT and facilities management/property related issues. An IT Apprentice scheme is currently being explored to provide this broader service.
- 4.9 A further piece of work is required to determine corporate arrangements for the management of Markets. A steer from CMT is invited. The current structure chart continues to show markets within Business Support Services.
- 4.10 A further piece of work is required to determine the corporate arrangements for Engineers and Land Drainage. A steer from CMT is invited. The current structure chart continues to show Engineers and Land Drainage within Business Support Services.

5.0 Consultation

- 5.1 Informal consultation with staff was undertaken up to 18th October when it became clear that it was impossible to fully satisfy all staff expectations and provide a structure that was fit for purpose. Formal consultation with key staff was undertaken on and union consultation was undertaken on 1st November. Consultation with other Heads of Service was undertaken through HUG who were invited to forward any comments to Corporate Management Team via their minutes.
- 5.2 Matters arising from consultation are:

Further clarification required

Does the restructure impact on individual post below manager level?
What are the “range of areas” in 4.6 for Purchasing Officers?

With regard to Health & Safety-is this the function within HR?

Positive comments

We would welcome the reinstatement of original staffing levels for Internal Audit.

Proposals appear to be in line with SOCITM June 2007 review

Looks well thought through!

Negative

The proposal to include Insurance & Purchasing with Internal Audit may jeopardize the “independence” requirement –could these go with financial services or Business Support?

UNISON believes the profile of Health & Safety would be best achieved by increasing resources rather than to another service at a location away from the Health & Safety Officer

The Facilities & Property Maintenance proposals are a mismatch of functions, with adverse implications for a number of staff

UNISON is concerned that the Business Support Area Proposals may not work and increase some workloads and increase potential of work related stress

Financial concerns

UNISON has concerns about the restructure contained within existing budgets and any subsequent ET's around equal pay claims

Has saving accrued from reduction in Directors & Heads of Service (HR committee 31 August 06) been redirected/used to fund this restructure?

Other

In light of the increase in responsibilities for Internal Audit & Consultancy Manager, staffing levels should be kept under review
UNISON has some reservations about staffing help desk with non-technicians and impact on user service experience

UNISON originally understood no changes below Head of Service Level

Alternative proposals

UNISON proposed an alternative structure; leave 3 existing managers and move to 4 areas rather than 3. Give the S151 officer role to someone in Financial Services.

Remove non-audit activity of financial appraisals function out of Internal Audit and place under Financial Support Services –it's an

accounting role

6.0 Legal Implications

6.1 Not applicable.

7.0 Financial Implications

7.1 The intention is to design a structure with existing budgets.

8.0 Human Resource Implications

8.1 Under the arrangements for “Moving forward with Heads of Service Restructuring” the current Head of Business Solutions and IT has expressed an interest to become the Information and Communications Technology Manager. Once the structure is endorsed by CMT it is proposed to put this arrangement on a formal footing by reviewing the job description and job evaluating the post and then formally offering the post to the existing Head of Business Solutions and IT.

8.2 Interest for the Facilities & Property Maintenance Manager is expected from a number of staff. Once the structure is endorsed by CMT it is proposed to prepare a job description and to undertake a job evaluation process. A selection process should then be undertaken and the applicants should be ring-fenced to Business Support Services staff.

8.3 Limited interest is expected for the Internal Audit and Consultancy Managers post. Once the structure is endorsed by CMT it is proposed to prepare a job description and to undertake a job evaluation process. A selection process should then be undertaken and the applicants should be ring-fenced to Business Support Services staff.

8.4 Restructuring arrangement below the level of the above three managers should not impinge on existing terms and conditions of other staff.

9.0 Risk Management Implications

9.1 There are no additional risk management implications to those already contained in this report.

Background Papers

None

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