

**ANGUS COUNCIL**

**POLICY AND RESOURCES COMMITTEE – 28 NOVEMBER 2017  
MANAGERS' REVIEW  
REPORT BY MARGO WILLIAMSON, CHIEF EXECUTIVE**

**ABSTRACT**

This report provides an update to members in relation to the Managers' review

**1. RECOMMENDATION**

It is recommended that the committee considers the outcomes of the Managers' review outlined in this report.

**2. ALIGNMENT TO THE COUNCIL PLAN**

This report contributes to the achievement of our priority that the council is efficient and effective as detailed in our new Council Plan for 2017 – 2022.

**3. BACKGROUND**

- 3.1 It was agreed by Council on 23 March 2017 that a review of the management structure below Head of Service should be undertaken with a view to streamlining our current arrangements in line with our ambition to be a better, stronger, more sustainable and smaller organisation. The new structures which have been developed will allow the organisation to focus its resources on our agreed priorities for economy, people and place. This report provides an update on our review.
- 3.2 The review initially included in its scope management posts graded from LG13 to CO28. As the review progressed it became clear that these management levels could not be looked at in isolation and the scope of the review was therefore extended to include all posts graded from LG11 to Head of Service level.
- 3.3 The review proposals were developed and employees in scope were consulted informally in the first instance. As a result a number of changes were made to the proposed structures and the revised proposals were subject to formal consultation with employees and their trades unions from 10th to 31<sup>st</sup> October 2017. Further changes to the structures and job descriptions were made as a result of this formal consultation.
- 3.4 The revised structures have resulted in a reduction of managers' posts from 207 to 165 (42 posts) which equates to a reduction of 20% overall. This is a reduction of 2 Heads of Service, 6 Service Managers, 14 Managers and 20 Team Leader/Senior Professional posts. 2 posts are subject to members' approval and an executive sub-committee will be called in December to address these. Appendix 1 outlines these changes.

3.5 The next stage of this is to move to implementation of the new structures beginning on 1 April 2018. In order to facilitate the restructure of our management arrangements, employees were offered the opportunity to express an interest in Early Retirement or Voluntary Redundancy and a number have opted for such an opportunity. All other employees within the scope of the review will be matched to posts which are broadly similar in the new structures or will compete in restricted pools for new posts. Where an employee remains displaced from a post at the end of the matching/recruitment process we will, in line with our Managing Change policy seek to redeploy them to another post. Compulsory redundancy of employees will only be considered as a last resort. All employees have been and will continue to be fully supported through this process.

#### **4. FINANCIAL IMPLICATIONS**

4.1 Although the final figures will only be known once all of the appointments and decisions on early retirement/redundancy are made it is currently estimated that the Managers' review will save approximately £1m in 2018/19 and a further £400k in 2019/20. The 2018/19 saving is net of any pay detriment costs for those staff who suffer a reduction in salary and receive one year's pay protection.

4.2 Early retirement and voluntary redundancies required to enable implementation of this Managers Review are expected to be approved in 2 tranches. Tranche 1 covers staff on grade LG13 and above and severance costs of £937,000 are estimated to arise from this tranche. It is not possible at this stage to estimate the costs of tranche 2 as this will depend on the appointment process and the further voluntary or compulsory departures which may be required. A further report will be brought back to Committee on the tranche 2 proposals with details of costs so members have the complete picture.

4.3 It is intended that some staff departures take place during the latter part of 2018/19 to allow specific pieces of work to be completed and to ensure a smooth transition which minimises risk through loss of knowledge. These delayed departures will mean a slightly lower severance cost than indicated above which assumes all departures are on 31 March 2018.

4.4 The Council set aside funds within General Fund balances for severance costs in setting the 2017/18 revenue budget. Some £0.5m still remains available from this source. The remaining balance of severance costs arising from tranche 1 of the Managers Review (estimated at £437,000) will require to be met from the General Fund contingency reserve which stands at an estimated £2.5m following approval of Report 336/17 on the residual waste project. The Council will require to consider replenishment of this contingency reserve as part of the 2018/19 budget setting process.

4.5 Members should note that any staff for whom it is proposed to grant early retirement or voluntary redundancy in tranche 1 or tranche 2 will meet the Council's payback criteria such that one-off severance costs will be more than offset by ongoing savings. Staff leaving through early retirement or voluntary redundancy will receive only what they are entitled to under redundancy policies and pension regulations, there will be no enhancements beyond this.

## **5. CONSULTATION**

- 5.1** The Strategic Directors, People and Place, Head of Corporate Finance and Head of Legal & Democratic Services were consulted on the contents of this report.

**NOTE:** No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:  
Appendix 1: Structure Changes