

## REPORT

**SUBJECT: Staffing adjustments within Operations Department**

**MEETING: Individual Cabinet member – Cllr Bryan Jones**

**DATE: 9<sup>th</sup> December 2015**

**DIVISION/WARDS AFFECTED: Not applicable**

### 1. PURPOSE

To consider alterations to staffing establishments and a request for flexible retirement to reduce costs overall.

### 2. RECOMMENDATIONS

2.1 That (subject to staff consultation) the changes to the staff establishments as described in appendix 1 be implemented as soon as practicable to provide cost benefits within 2015/16 and reflected in the budget for 2016/17.

2.2 That the request for flexible retirement be granted with effect from 1<sup>st</sup> January 2016 or as soon as practicable thereafter.

### 3. KEY ISSUES

3.1 Within 2015/16 there is a need to take action to address projected overspends within the department and in planning for the 2016/17 budget and beyond it is clear that the existing staff establishments within the highway section are unsustainable given major budget pressure upon the authority overall and Operations services in particular both in revenue and capital.

3.2 The Council's priorities and the Continuance Agreement direct funding priorities, an outcome of which is to place particular pressure upon several of the budgets provided through the Operations department.

3.3 The forecast out turn for Operations services overall prepared at month 6 indicate an overspend of approximately £339,000 and whilst operational matters (weather in particular) will influence the out turn significantly during the winter months it is incumbent upon Operations managers to implement changes to address the projected over spend in 15/16 and that will also affect the budget preparations for 2016/17.

3.4 The head of highways resigned (left MCC employment in July) and the post has been held vacant. Whilst this is an important post in a high profile service, given the budget situation it would seem imprudent and unaffordable to fill the post for the foreseeable future.

- 3.5 The capital budget available for highways maintenance, projects etc. has for the last eight years been around £4m annually. The end of the local government borrowing initiative and the capital budget being prioritized towards 21<sup>st</sup> century schools means that the capital funding available for highways maintenance/projects is £1.7m in 15/16 and unlikely to increase in the coming years.
- 3.6 Whilst investment demand to maintain the highway infrastructure remains high the available budget is reduced from previous years so the volume of capital work for MCC engineers to manage is reduced. In July an assistant engineer in the projects team left MCC employment. The opportunity is being taken not to fill this vacant post and to reduce the staff establishment. Any peaks in workload will be covered by the remaining staff, support from other local authorities or our framework contractor (Parsons Brinkerhoff).
- 3.7 Further to the above it is proposed to reduce the highways management team by one (existing and revised senior manager structures are shown in appendix 1). This will offer a salary saving of approximately £55,000.
- 3.8 The authority supports flexible retirement where appropriate. The Head of Operations has lodged a request to reduce his working hours which provides around £13,000 saving on salary costs annually (Including employer on costs). There is no cost to the authority for granting the application.

#### **4. REASONS**

- 4.1 The withdrawal of posts and restructuring of duties reduces budget demand and helps to address the financial pressure upon the authority. The loss of the posts is not ideal but officers are satisfied that this is the appropriate action at this time and furthermore the two posts and flexible retirement request places no employees at risk (it is also anticipated that the removal of the senior manager post can be achieved without compulsion).
- 4.2 If approved this report reorganises the senior management structure within highways. With the reduction in senior managers the various functions will be redistributed amongst the new team. This reorganisation will be taken as an opportunity to review the staffing establishment to best reflect demands upon the various aspects of service delivery incorporated with Highways and Flood Management. Any further changes will be subject to report to the cabinet member and staff consultation.

#### **5. RESOURCE IMPLICATIONS;**

**Savings calculated top of scp range with 30% employers on costs**

<b>Withdrawal of Head of Highways post -</b>	<b>£72,000</b>
<b>Loss of senior manager post</b>	<b>£55,000</b>
<b>Withdrawal of assistant engineer post</b>	<b>£41,000</b>
<b>Flexible retirement</b>	<b>£13,000</b>

**ANNUAL SAVING**

**£181,000**

**( A cost will be incurred by the reduction in senior manager posts but the cost is unknown at this time but will be reported to cabinet at a later date (costs will be in line with HR policies for redundancy and any pension strain should this be an outcome).**

**6. FUTURE GENERATIONS & EQUALITY ASSESSMENT:**

This report refers solely to staff management matters and makes no recommendation in relation to any changes in policy or service delivery by the authority. As such a Future Generations and Equality Assessment are considered unnecessary.

**SAFEGUARDING ASSESSMENT:**

No risks arise in relation to safeguarding as a result of this report.

**7. CONSULTEES:**

**SLT**

**Cabinet members**

**8. BACKGROUND PAPERS:**

**9. AUTHORS**

Roger Hoggins, Head of Operations

CONTACT DETAILS: [rogerhoggins@monmouthshire.gov.uk](mailto:rogerhoggins@monmouthshire.gov.uk)

Paul Matthews, Chief Executive Officer

CONTACT DETAILS: [paulmatthews@monmouthshire.gov.uk](mailto:paulmatthews@monmouthshire.gov.uk)