

25 January 2016**Agenda Item: 4****REPORT OF THE SERVICE DIRECTOR – FINANCE , PROCUREMENT &
IMPROVEMENT****RESTRUCTURE OF THE PROCUREMENT SERVICE****Purpose of the Report**

1. The purpose of this report is to seek approval to changes in the structure of the Council's Procurement Team arising from budget reductions for 2016/17 and the need to improve operational delivery of the function.

Information and Advice

2. The budget report for 2016/17 which was approved by County Council in February 2015 included a number of savings proposals across all Committees. The budget included additional savings for the Finance function of £90,000 in addition to savings of £250,000 approved as part of the previous year's approved budget.
3. The Council has changed a great deal in recent years and is currently undertaking further change and challenge. Given the amount of change it was recognised that we needed to examine our procurement structure to ensure that we have a clear and unified vision about how we will continue to support the authority. That we have consistency in delivery and that we build strong category teams to support the commissioners and stakeholders as we go forward. We need to ensure that we have robust communication chains and that we develop a wealth of expertise to deliver both now and in the future.
4. The Council's review of alternative service delivery models through the Redefining Your Council transformation framework will also impact on the transfer of budget for the buy-back of support services such as Procurement. Currently these include a charitable community benefit society for a range of cultural services, the establishment of a joint venture company with CORMAC for the delivery of integrated highways services and a joint venture with SCAPE in the delivery of property services.
5. The consequence of the required savings proposals for 2016/17 fall on staffing budgets. Therefore consideration of the current staffing structure has been undertaken. In November 2015 a Consultation Document on a proposed restructuring of the department was issued. Comments on the proposals were invited by the closing date of 22 December 2015 and

having received those responses further consideration was given to the proposals and a formal response was issued 4th January 2016. This report therefore seeks to implement the proposals for the team.

6. The key change to the structure is the realigning of the Senior Procurement Officers (SPO'S) to the Category Managers to help influence and plan workloads going forward, and to also contribute their knowledge and experience to the Category Managers in helping to drive out the best for the service.
7. The new structure also sees the removal of 2 FTE vacancies, 1 x Team Manager (band E) and 1 x Purchasing lead (band D), both posts will contribute to the cost reduction strategies and are not considered to have any effect on service delivery
8. The new structure proposals also aim to drive the team to:
 - become more lean, agile, and customer responsive recognising as this organisation changes we need to do so too.
 - Rationalise current structures contributing to the cost improvement programme and ensuring that the roles we retain in the structure are fit for purpose
 - Offer consistent support and build knowledge – It is important that we not only offer consistency to our customers at a Category Management level but that we also do this at SPO level, with the right people with the right knowledge supporting the programs of work, this will help to build relationships and offer a more rounded approach to service delivery.
 - Be more strategic focus driving the procurement strategy forward and driving out costs for the authority
 - grow our partnerships with other organisations looking to work more collaboratively
9. In response to the consultation the final structure is proposed. The use of generic job descriptions allows the team to maintain maximum flexibility in its structure, allowing it to respond quickly to changes both in demands and department structures.

The Proposals

10. The posts to be deleted and established for the tiers of the new structure are set out in the table below and the proposed initial structure is set out in Appendix 2. The current structure is set out in Appendix 1.

Current Structure - Posts	FTE	Proposed Structure - posts	FTE	Vacancies
Group Manager Procurement	1	Group Manager Procurement	1	0
Team Manager Procurement	2	Team Manager Procurement	1	1
Purchasing Lead	1	Purchasing Lead	0	1
Category Managers	5	Category Managers	5	1
Senior Procurement Officers	7	Senior Procurement Officers	7	1
Procurement Officers	2	Procurement Officers	2	0
Policy & Strategy Officer	1	Policy & Strategy Officer	1	0
Totals	19		17	

Other Options Considered

11. There are no other short term options to addressing the challenges within the Procurement Team.

Reason/s for Recommendation/s

12. The recommendations are needed to progress to the enabling process.

Statutory and Policy Implications

13. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Implications for service users

14. One of the main reasons for restructuring the procurement Service is based on the approach that support services should make an appropriate contribution towards the Council's overall savings target to safeguard front-line service delivery. These reductions are planned to minimise the impact on the quality of the service provided to customers and key stakeholders.

Financial Implications

15. Provisional estimates for the cost of the new structure suggest that budget savings of up to £104,565 will be generated in a full year from the Procurement team and these will contribute to the overall savings required by the Finance, Procurement & Improvement Leadership Division.

Equalities Implications

16. The restructuring of the Finance Division will be carried out in accordance with the County Council's employment and equalities policies.

Human Resources Implications

17. Staff and trade unions have been fully informed of the rationale for change and have been regularly and appropriately consulted on the proposed new structure.
18. The HR implications have been considered through the consultation process in drawing up the new structure and job descriptions. Appointments to the posts in the new structure will progress in line with the corporate enabling process. Confirmation of grades within the structure will be confirmed through the job evaluation process.

RECOMMENDATION/S

19. It is recommended that Elected Members approve the changes to the Procurement Service structure effective from 1 April 2016 as set out in this report.

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Constitutional Comments (KK 13/01/16)

The proposal in this report is within the remit of the Finance and Property Committee.

Financial Comments (SES 13/01/16)

The financial implications are set out in the report.

Background Papers

None

Electoral Division(s) and Member(s) Affected

All