

London Borough of Bromley

Report No.HHR11003

PART I – PUBLIC

Decision Maker: EXECUTIVE

Date: 19th October 2011

Decision Type: Non-Urgent Executive Key

TITLE: ORGANISATION REDESIGN

Contact Officer: Charles Obazuaye, Assistant Chief Executive (HR)
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Chief Officer: Assistant Chief Executive (HR)

Ward: N/A

1. Reason for Report

- 1.1 This report highlights the key corporate departmental changes being introduced by the Chief Executive designed to realign the organisational structure with what the Council is trying to achieve.
- 1.2 Highlights include:
- Realignment of like for like functions/teams to improve financial and managerial performance, thus yielding cashable and non-cashable savings;
 - Specific business requirements to bring together adult social care, children social care services, education and operational housing functions, in a new department;
 - Reduction in managerial posts, in line with the Corporate Operating Principle aimed at establishing the optimal ratio of managers to staff;
 - Cultural realignment, ie: complementary staff engagement and empowerment initiatives aimed at improving the working environment in which staff can contribute to the challenges and opportunities facing the Council.
- 1.3 This report does not address any proposed departmental and/or divisional restructuring happening concurrently as part of the on-going cost cutting exercises or any other business reasons. Individual Chief Officers will manage their departmental/divisional restructurings in the usual way, as set out in the council's Managing Change Procedure.
- 1.4 Therefore, this report focuses on the corporate departmental arrangement, mainly at 1st and 2nd tier levels, although a separate review of other managerial tiers in the organisation is being carried out concurrently. This is consistent with the determination to reduce the number of managers in the organisation and devolve decision making processes to frontline staff.

2. RECOMMENDATION(S)

2.1 The Executive is asked to:

2.1.1 Note the proposed corporate departmental changes.

2.1.2 Note that, subject to appropriate individual and Trade Union and staff side consultations, the Chief Executive will manage any staff redundancies and/or staff redeployments in accordance with the Council's HR procedures and the Officer Scheme of Delegation.

2.1.3 Note and endorse the cultural realignment initiatives designed to support and complement the corporate structural changes.

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal: Estimated Cost/No Cost/N/A
 2. On-going costs: N/A/Non-recurring cost/Recurring Cost
 3. Budget Head/Performance Centre: £87m (approximately)
 4. Total current budget for this Head:
 5. Source of Funding:
-

Staff

1. Number of staff (current and additional): 2,420 FTE
 2. If from existing staff resources, number of staff hours:
-

Legal

- 1) Legal Requirement: Non-Statutory Requirement
 - 2) Call In: Call In is applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected)
-

Ward Councillor Views

- 1) Have Ward Councillors been asked for comments: N/A
- 2) Summary of Ward Councillors comments:

3. COMMENTARY

3.1 Financial Context: Pressure for change

The report is set in the context of the unprecedented financial pressures facing the Council and the country in general. It is generally accepted that the organisation has a lean corporate and departmental structure compared with many local authorities. As previously reported, a total of £3 million savings were achieved from the recent review of management and corporate overheads to support the Council's budget.

3.1.2 However, the Council still faces significant budget pressures over the next three to four years as the national and global economies continue to experience significant difficulties and poor growths. The Council needs to find savings of (approximately) £30 million over the next two years. Consequently the Chief Executive, in consultation with Members, has given consideration to redesign and realign the overall corporate departmental structure within the wider policy/finance realignment context. The new structure is designed to realise the changes in operating processes and working relationship we so urgently require, as well as achieve the budget savings required in 2012/13 and beyond. To that end, a further £3 million savings from staffing changes across the organisation will be achieved.

3.2 **Structural functionalism**, ie: the right organisational structure for the efficient delivery of Bromley Council's strategic business priorities. In line with the corporate Operating Principles and against the background of cost pressures and significant reductions being applied to funding in the public sector, now is the time to look ahead to identify what is needed for the future financial challenges and realign the corporate structural arrangement accordingly. Of course, designing the right structure during periods of economic austerity and business pressures is very challenging. Organisations often find themselves caught between a rock and a hard place in trying to address cost pressures and retaining the right organisational structure – without creating a workforce that appears the wrong shape due to skills shortage or de-motivated or disengaged employees! The challenge lies in building an organisation that is resilient and ready for the current and future challenges. Hence the focus of the new structure is three-fold, namely:

- As far as possible, group together like for like services/teams at a departmental or corporate level;
- Reinforce the focus on devolved decision making and staff empowerment;
- Achieve cashable/non-cashable efficiencies from rationalising management posts and centralising business support functions (as far as possible).

3.3 The new structure, in summary form, will consolidate the organisation into four main departments, namely:

- A new department bringing together education, children social care, adult social care, commissioning and the operational aspects of housing;
- Environment department comprising transport and highways, street scene and green space, trading standards and public protection;

- Resources department, comprising the newly amalgamated Resources and Legal, Democratic & Customer Services departments. A key focus of this department is the centralisation of key business support services;
- Strategic Regeneration and Development, comprising planning and the strategic elements of property, leisure and culture, including libraries, Adult Education College and strategic housing.

3.4 In addition, the Chief Executive's office will retain the following corporate teams, namely audit, HR, communications and the organisation improvement team. The Chief Executive will also assume line and performance management responsibility for Public Health currently being transferred to the local authority under the Section 75 Agreement – pending a formal statutory transfer in 2013. The new structure chart is attached to the report (Appendix A).

3.5 As far as the new department is concerned, it will effectively replace the departments of Children & Young People Services and Adult and Community Services. The position of the two Chief Officers who are directly affected by this arrangement is being addressed individually, albeit within the established HR procedures. Therefore, the recruitment and selection process to appoint a new Chief Officer to lead the new department will commence shortly, with a view to having someone in post before the new Financial Year.

3.6 In the meantime, the Chief Executive has agreed the following interim arrangements, namely:

- The Chief Executive and the Director of Children & Young People Services, supported by the Assistant Chief Executive, will lead the transitional and transformational processes of bringing the two departments together. The key task is to develop and commence the process of embedding the key building blocks (and in particular quick wins) for the new department to succeed. Quick financial wins from possible amalgamation of existing duplicate business support functions and processes are key transitional deliverables. Staff and Member confidence in the new arrangement/department is also a key feature of the transitional and transformational processes. To that end, the Chief Executive and the Director of Children & Young People will work with managers and staff across the two departments, as well as up-date and engage key Members and, in particular, the two relevant Portfolio Members, in delivering the key building blocks and the success criteria for the new department;
- ACS and CYP will continue as they are for now, pending the formation of the new department. Following the recent departure of the Director of Adult & Community Services, Ann Watts, Assistant Director, Performance & Strategy, will provide the departmental co-ordinating lead role and David Roberts, Assistant Director, Care Services, is now the relevant Statutory Officer – pursuant to the Local Authority Social Services Act 1970;
- In readiness for the new department, the Director of Children & Young People has begun the process of restructuring the department and the Chief Executive has commissioned work to develop a new approach to Children and Adult Commissioning.

- 3.7 Apart from the two Chief officers who are directly affected by the new arrangement, up to 8 posts at Assistant Director and/or Head of Service levels are directly or indirectly affected subject, of course, to individual staff and Trade Union consultations. Lead Members will also be consulted on the impact of the proposed redundancies on the managerial capacity/capability of the organisation to deliver Member priorities.
- 3.8 **Cultural Change** – In general terms people (staff) make structure works, ie: the effectiveness of any organisational structure is linked to its workforce. However, staff do not operate in a vacuum but within a cultural environment. Therefore, getting the culture right is equally imperative. It is of significance that the new structure is designed to achieve the Corporate Operating Principles and the strong emphasis on the role of staff in delivering Building a Better Bromley. Now is the time to properly embed these principles and the under-pinning values and beliefs (Respect, Empower, Ambition and Learn – REAL values) in how we organise work and manage our greatest asset (staff) across the organisation. To that end a Statement of Commitment to Bromley Staff (Appendix B) has been approved by the Chief Executive and his management team, following extensive consultations with managers and staff and their departmental representatives on how to take forward the Staff Engagement Survey outcomes. This is an enormously anxious and emotional time for all staff and managers in the organisation. The Statement is, therefore, a timely reminder that the Council will not abandon its core values and beliefs even in hard times. It reinforces the importance of good management and staff empowerment. The key chords from the Statement are as follows:
- Emphasise the importance of good communication and engagement with staff;
 - Recognise and reward exceptional performers in a timely and less prescriptive manner;
 - Promote and champion innovation and new ways of working;
 - Autonomy/staff empowerment – give adequate discretion and permission to staff, particularly at the frontline to deliver excellent/responsive service.

4. POLICY IMPLICATIONS

- 4.1 The new structure is consistent with the Corporate Operating Principles and the Council's financial strategy. The decision to bring together children social care services, adult social care services, commissioning and education is consistent with the practice elsewhere across the country, including a number of London boroughs.
- 4.2 Lead members' perspective on the new structure will be proactively sought during the transitional period, partly to reassure Members that the Council's managerial capacity to deliver Member priorities is not compromised.
- 4.3 The appointment of the new Chief Officer for the new department is a Member function. Arrangements for the Member Panel and the recruitment and selection paperwork will be put in place as soon as possible.

5. FINANCIAL IMPLICATIONS

5.1 These are covered elsewhere in the report. Suffice to say that finance is one of the key drivers influencing the future shape of the organisation. As already stated, the Council needs to find £30 million savings over the next two years, as well as address the financial implications of the pace of academy conversions in Bromley. Against these financial parameters, one of the key aims of the new corporate department arrangement is to rationalise management structures and other overheads and achieve further savings required for 2012/13 and beyond.

6. LEGAL IMPLICATIONS

6.1 No direct legal implication save for the HR/employment law considerations below.

7. PERSONNEL IMPLICATIONS

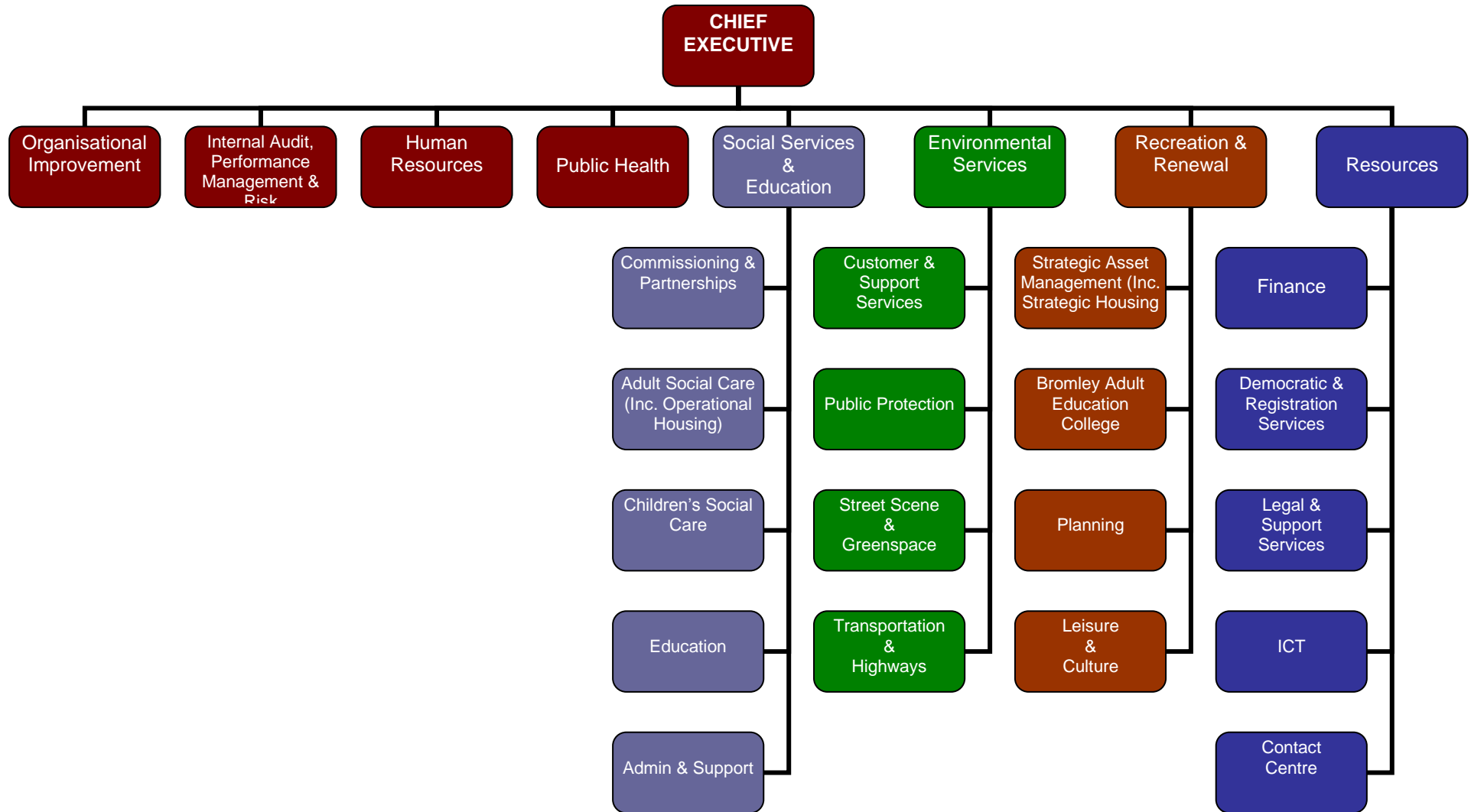
7.1 The two Chief Officers who are directly affected are aware of their positions and necessary steps have been taken to address their concerns. Any redundancies and/or redeployments at the Assistant Director level will be addressed sensitively, in consultation with the affected individuals and their representatives. The Council has a good record of mitigating the impact of forced redundancies and successful redeployment of displaced staff, although this is getting harder because of the numbers involved.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	

London Borough of Bromley

APPENDIX A

PROPOSED ORGANISATIONAL STRUCTURE



www.bromley.gov.uk

The **Bromley** commitment to staff



In support of **Building a Better Bromley** (BBB) the Council's corporate operating principles set out our approach to creating a flexible, responsive organisation that can embrace new ways of working with partners and staff to maintain and improve services to our community. As part of this we are committed to providing a working environment in which staff can contribute to the success of the Council. This staff commitment sets out the responsibility we all share in making this happen.

Our commitment is underpinned by our **REAL** values and the belief that:

- > People come to work to do a good job and make a difference
- > Everyone should be treated with respect and valued
- > Managers have the right to manage but should do so fairly
- > People have personal accountability for their own development, behaviour and actions
- > Communication should be open and ongoing

We expect all employees to:

- Show commitment to achieving organisational (BBB) and service objectives
- Participate and contribute to finding more efficient ways of working and service delivery
- Actively participate in reviewing their own performance and development needs
- Recognise and value that everyone makes a different but important contribution

We expect all managers to:

- Set objectives that are challenging but realistic to support our organisational (BBB) and service objectives
- Encourage effective upward and downward communication amongst their staff group including use of regular team meetings, email, intranet etc
- Ensure that all learning and development activities, including induction are designed to enhance the performance of staff
- Give regular feedback on performance and review the impact/value of any development activities undertaken
- Encourage a 'can do approach' and manage the outcomes positively – give recognition for achievements and handle mistakes constructively

We expect all senior managers to:

- Lead and secure staff commitment to delivering organisational (BBB) and service objectives
- Keep colleagues informed about major developments and changes within the Council and consult them about plans or decisions that may affect them
- Ensure that learning and development activities, including induction support the achievement of organisational (BBB) and service objectives
- Ensure the appraisal process is used to improve performance and fully develop the potential of staff
- Promote and champion innovation and new ways of working

Building a Better Bromley | REAL Values | Commitment to staff

