

## Increasing capacity through organisational change

<b>Report of the:</b>	Chief Executive
<b>Contact:</b>	Kathryn Beldon and Damian Roberts
<b>Urgent Decision?(yes/no)</b>	No
<b>Annexes/Appendices (attached):</b>	Annex 1: Summary of proposed changes Annex 2: Summary feedback from staff consultation Annex 3: Structure charts Confidential Supplementary Annex 4: Financial implications Confidential Supplementary Annex 5: Equality Impact Assessment
<b>Other available papers (not attached):</b>	Proposals dated 13 Aug 18 Consultation feedback dated 17 Sep 18 Frequently Asked Questions for staff

### Report Summary

It is essential that the Council has an effective and resilient officer structure that is fit for purpose and aligned to the delivery of Council priorities. This report sets out proposed changes to the senior management structure of the Council that will provide clearer accountabilities, address current areas of duplication and overlap of roles, bring together related functions, and more importantly provide additional capacity where it is needed most.

To facilitate the redistribution of staffing resources to support the creation of up to eight non-managerial posts to provide practical delivery capacity in front-line service areas and to meet the new and emerging priorities, this report seeks agreement to the one off costs associated with moving to the new structure.

### Recommendation (s)

That the Committee:

1. Note the proposed changes to the officer structure aligned to the delivery of Council priorities as outlined in Annex 1.
2. Agree that £20,000 is included in the Council's budget planning process for 2019/20, for business improvement work needed to further enhance capacity within the organisation.

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3. Agree the one-off costs associated with moving to the new structure as detailed in the confidential supplementary Annex 4.

### **1. Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy**

- 1.1. The new structure at Head of Service level will enable the organisation to better respond to the Council's key priorities including:

#### **Clean and Green**

- 1.2. Creating a new seasonal environmental action team to target litter and grass cutting hot spots and help keep up with demand at the peak times of the year.

#### **Community Safety and Enforcement**

- 1.3. Bringing together all operational patrol functions under the Head of Operational Services and establishing a new full time post of Community Safety and Enforcement Officer.

#### **The Health and Wellbeing Agenda**

- 1.4. Bringing leisure functions together under a single Head of Service, creating a new strategic post of Health and Wellbeing Officer, and bringing together all operational wellbeing functions (including those that operate out of the Council's Community and Wellbeing Centre) under one Head of Service.

#### **Income Generation and Enterprise**

- 1.5. Bringing together income generating properties under the Head of Property and Regeneration to secure greater economies of scale and greater service resilience.

### **2. Link with previous organisational change**

- 2.1. In March 2015 the Council undertook a reorganisation of its senior management structure. This resulted in a net reduction of two senior level posts and delivered an on-going annual saving of £264,000 per annum.
- 2.2. Following these changes, in 2018 there is now an opportunity to secure further reductions in the number of senior level posts, while utilising the funding released to enable a much needed increase in capacity in the organisation through the creation of up to eight non-managerial front line posts.

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#### **3. Further background and context to the current proposal**

- 3.1. As the smallest local authority in Surrey with the lowest resource base, Epsom and Ewell Borough Council are still delivering the full range of statutory services as other boroughs and have in place the same level of governance.
  - 3.2. By taking a proactive, robust and resident-focused approach, the Council has coped with year on year reductions in Government funding while protecting vital front line services from cuts and continuing to invest in the future. However, this is putting greater pressure on organisational capacity and creating a risk around future delivery.
  - 3.3. The Council has a clear set of priorities set out in the Corporate Plan and Service Delivery Plans. If these are to be delivered effectively, the right officer structure needs to be in place, aligned to the Council's priorities and focusing staff resources where they are needed most.
  - 3.4. The Council's Medium Term Financial Strategy (MTFS) projects future financial deficits that will have to be responded to, meaning that future staffing arrangements will need to be contained within the Council's current budget.
  - 3.5. The Council is facing increasing service demands arising from a growing and aging population, new nationally driven requirements such as the Homelessness Reduction Act, the new National Planning Policy Framework, General Data Protection Regulations, Universal Credit, Business Rate Retention Scheme and the growing role of local authorities in tackling the key determinants of health and wellbeing in their communities etc. Despite huge effort and commitment from Council staff in the organisation to respond to increasing service demands, these demands are also putting pressure on organisational capacity and resilience which is not sustainable.
  - 3.6. The organisation has also been trying to respond to new and important Council priorities such as Community Safety and Enforcement, Enterprise and Income Generation and Health and Wellbeing. There has also been a pressing need to transform our engagement with customers and harness technology to help transform services. While positive efforts are being made to progress these issues, the current structure does not adequately support the Council's latest priorities and aspirations. It is also vital that the organisation has staff resources in the right places to meet statutory duties and deliver the best services for local residents.
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- 3.7. The proposals set out in the Annex to this paper recognise the many positive steps that the Council has already taken to help respond to these challenges and priorities while at the same time acknowledging that significant further action is now needed.

#### **4. Business Process Improvement**

- 4.1 The Council is able to draw on a positive track record of utilising business process improvement as a tool to assist service teams with implementing more streamlined and effective ways of meeting the needs of their customers.
- 4.2 As mentioned in the earlier draft proposals Business Process Improvements also have a key role in enhancing capacity in operational teams and is particularly effective if implemented alongside investments in digital systems and infrastructure. This is because effective transformation relies on the alignment of people, processes and technology to deliver what the customer needs.
- 4.3 Services such as Housing and Democratic Services have seen significant benefits of applying this approach in previous years with further services keen to also now benefit. However, without external input and support, staff within service teams do not have the capacity on their own to undertake this work.
- 4.4 The use of business process improvement tools could also form a key part of the Council's approach to supporting greater staff engagement in learning and development opportunities, as any services brought in would be required to facilitate some ongoing skills transfer.
- 4.5 In order to address this, it will be necessary to procure the necessary external expertise and support to enable this work to proceed in a meaningful way. The recommendations above include making additional budget provision of £20k in the budget planning process for 2019/20.
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#### **5. Other options considered**

- 5.1. There are limited alternative options available to the Council in terms of increasing organisational capacity and ensuring that structures and resources are aligned to current and emerging Council priorities. Doing nothing will significantly limit the organisation's ability to respond to new and emerging priorities.
  - 5.2. Given the year on year reductions in Government Grant there are significant constraints on increasing the Council's budget to fully respond to these priorities, especially taking into account the new legislative and democratic pressures the Council is already responding to, and recognising the need to continue to keep Council Tax rises to an absolute minimum.
  - 5.3. The Council could seek to make saving elsewhere in the organisation rather than reduce the number of senior level posts in the structure. However, while no decision to reduce posts would be easy, the equivalent savings at lower levels in the organisation would have a far greater impact on the ability of the organisation to deliver its day to day priorities.
  - 5.4. While service team budgets are already very tight and offer no scope to deliver immediate savings, the Council has already given its support for a greater focus on enterprise and income generation. This approach has already been embraced by a range of services across the Council this year and has the potential to help generate income in future years but not at the scale, level of certainty or timescales needed.
  - 5.5. Other proposals already undertaken to help improve capacity issues were included in the original consultation document.
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### **6. Formal consultation with staff**

- 6.1. A consultation process is an essential part of the responsibilities of an employer in the course of a business re-organisation. Consultation with staff, the Staff Consultative Group and Trade Union have all taken place, in line with the Councils' Managing Workforce Change Procedure
- 6.2. Council staff were formally consulted on the proposals for change from the 13 August until the 11 September 2018. Given that the impact of the proposals are greatest at Head of Service level, it was particularly important that responses were received from everyone working at that level.
- 6.3. A comprehensive approach was taken to the formal staff consultations which took the form of multiple face to face staff briefings, held in both the main Council offices, satellite offices and venues (ie Bourne Hall, Epsom Playhouse, the Depot, the Community and Wellbeing Centre, Ewell Court House, and the Ashley Centre Parking Office), meetings with representatives from the Staff Consultative Group and Trade Union and through individual one to ones with those most impacted by the proposals. The detailed proposals were also made available to all staff and feedback was actively encouraged through a variety of channels.
- 6.4. In total, forty-eight written responses were received. These included responses from each of the current eleven Heads of Service and responses from representatives of the Council's Staff Consultative Group and the Trade Union. The length and detail of individual responses varied from one short paragraph to more than ten pages.
- 6.5. A summary of the feedback is included in Annex 2.

### **7. Summary of key changes made as a result of the formal consultation**

- 7.1. While overall there is clear overall support for the original proposals, including the proposed changes at Head of Service Level, a number of revisions have been made to the original proposals and the feedback has also been used to inform plans for how the changes will be implemented. The key changes are:
  - A greater emphasis on the strategic and partnership role of the proposed Health and Wellbeing Officer.
  - Updated proposed Job Descriptions for Heads of Service post and new posts, reflecting the feedback received
  - Updated the Equality Impact Assessment
  - Responded to the need for a clear implementation plan with milestones
  - Identified the need to look at how to maximise the contribution of staff in the Business Support Team to operational delivery.
  - Amended the original proposal to pick up details relating to current operational responsibilities, particularly in venues.

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Specific questions raised by staff have been addressed through Frequently Asked Questions.

### **8. Timescale**

- 8.1. It is proposed to have the new organisational structure in place as quickly as possible and that recruitment to all new posts commence as quickly as possible so that these posts also refilled by early in the new year.

### **9. Partnerships**

- 9.1. The proposals contained in this paper will create the additional organisational capacity needed to engage effectively with key stakeholders and partners in the local area including the Police, the East Surrey Community Safety Partnership and other statutory partners such as Epsom Hospital and the Surrey Downs Clinical Commissioning Group. The proposals include the creation of a new post of Community Safety and Enforcement Officer, and Health and Wellbeing Officer, both working with these statutory partners.

### **10. Financial and Manpower Implications**

- 10.1. The proposals set out in this paper realise savings to provide funding for the creation of new posts aligned to the delivery of Council priorities. The reduction in the number of Head of Service posts from 11 to 9 can be achieved by refocusing some existing resources from senior management supervisory roles into non-managerial delivery roles. The details of these proposals are set out as follows:
- 10.2. Deleting three posts:
- Head of Venues and Facilities
  - Head of Revenues, Benefits and ICT
  - Head of Customer Services and Business Support
- 10.3. Creating a new post of:
- Head of Digital and Service Transformation
- 10.4. The current and proposed structure chart at Head of Service level is set out in the appendix and includes the redistribution of some existing functions to achieve greater economies of scale, service resilience, and greater integration and focus. The financial implications of moving to the new structure are set out in the confidential supplementary Annex 4.
- 10.5. The confidential supplementary Annexe 4 shows that the proposed new structure delivers significant net on-going saving.

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10.6. The savings realised from making this change will provide the funding required to support greater capacity in areas such as community safety and enforcement, health and wellbeing, grounds maintenance and street cleansing and creating capacity and the growth of future talent through a new apprenticeship programme.

### **11. Legal Implications (including implications for matters relating to equality)**

11.1. An Equality Impact Assessment has been carried out and is attached in the confidential supplementary Annex 5. The proposals will affect services and the workforce. In terms of services, digitalisation and the creation of the new posts are designed to have a positive impact with the services being more effectively and efficiently configured, targeted and delivered. In terms of the staffing structure, the Equality Impact Assessment has been used to understand the impacts on staff and to propose action that will be taken to mitigate the impacts where possible.

11.2. The Council's procedures will need to be carefully followed throughout the implementation of these proposals, to ensure a fair process is followed, particularly for those staff at risk of redundancy where the Council is obliged and will wish to seek ways to mitigate the risk to their employment by exploring redeployment opportunities and to deal with any appeals from staff that could arise in relation to the outcomes of assimilation of redeployment.

**11.3. Monitoring Officer's comments: The Local Government Act 1972 (section 112) requires a local authority to appoint such officers as it thinks necessary for the proper discharge by the Authority of its functions.**

11.4. The ability to restructure the staffing structure rests with the Chief Executive as the Head of Paid Service

### **12. Sustainability Policy and Community Safety Implications**

12.1. The proposals set out in this report are designed to address some of the organisation's most pressing capacity issues, increasing sustainability in the widest sense, and strengthening the Council's grounds maintenance and street cleansing role and its community safety and enforcement role.

### **13. Risk Assessment**

13.1. There are significant risks of not addressing the capacity issues within the organisation and ensuring that organisational structures and the way services are organised are aligned to Council priorities. The proposals set out in this paper are specifically designed to address this.

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- 13.2. There is a risk that up to three Heads of Service will not secure jobs in the new structure and this risk will be mitigated through the arrangements set out in the Council's Managing Workforce Change Procedure, including application of the Council's assimilation and redeployment arrangements.
- 13.3. There are also risks associated with not putting the new structure in place in a timely manner, including filling the newly established posts and this will be mitigated through the timely implementation of these proposals including use of assimilation, redeployment and recruitment processes.

**Ward(s) Affected:** (All Wards):