

COUNCIL
12 SEPTEMBER 2019

**REPORT OF CABINET – MATTERS WHICH REQUIRE A
DECISION BY COUNCIL**

Organisational Redesign Programme

Recommendation

1. **The Cabinet recommends that Council:**
 - (i) **approves the Chief Executive’s proposed revised Directorate structure and designation of statutory posts as set out in the report and at Appendix 3;**
 - (ii) **supports his proposals for the Chief Officer structure for Tiers 2 and 3 (as defined in paragraph 7) as set out in the report and Appendix 3, subject to (v);**
 - (iii) **authorises the Chief Executive to carry out all necessary staff consultations in relation to the proposed changes;**
 - (iv) **authorises the Chief Executive, in consultation with the Leader, to finalise the detail of the management structure for Tier 2 and Tier 3 officers including the job and person specifications in accordance with the above Directorate structure;**
 - (v) **authorises the Appointments Etc Panel to take all appropriate decisions in relation to the proposals for Tier 2 and 3 posts to support the new Directorate structure (including any deletion of existing posts, creation of new posts and appointments to them, and designation of statutory posts), and reviewing them in the future as appropriate;**
 - (vi) **agrees that the current Directorate of Children, Families and Communities will cease to exist on 1 October 2019, and authorises the Chief Executive to make interim arrangements for any functions of that Directorate not transferring to Worcestershire Children First; and**
 - (vii) **notes the indicative timescale in Appendix 4 and agrees that the remaining Directorate restructure will take effect from 1 January 2020 or such other date as the Chief Executive may determine having regard to the above processes.**

Background

2. Looking forward to ensuring the Council is fit for purpose to address the ongoing demands and constraints placed upon it, the goal is to ensure the Council can operate in a highly productive, efficient and effective way to meet the priorities identified within the Corporate Plan and the statutory requirements placed on the Council within the financial envelope forecast. As such the programme needs to identify the changes needed to achieve organisational sustainability for 3-5 years.

3. To achieve this ambitious goal, we need to look afresh at how the organisation is structured, review policies, processes and procedures, and assess how staff operate as well as their capabilities and capacity. This report covers stage 1, setting out the restructuring of the top 3 Tiers and their identification into broad directorate blocks. This stage requires approval from Full Council before any other detail can be concluded. Further stages in terms of the re-design element, i.e. the ways in which we work, will be brought forward in due course.

4. A well-designed Council will ensure that the form of the organisation matches its strategy (Corporate Plan), meets the many challenges posed and significantly increases the likelihood that the collective efforts of the workforce will be successful in delivering our outcomes.

5. The Medium Term Financial Plan (MTFP) set a target corporate saving for this review in 2019/20 of £3 million and £2.845 million in 2020/21. This report sets out progress against that two year target.

6. As part of the redesign, members were clear that the redesign must be owned by the Strategic Leadership Team (SLT) and therefore each Director has been given the opportunity to work with their management teams to help inform the organisational design. The current Chief Officer structure for tiers 1-3 and the associated functional areas can be seen in Appendix 2.

7. For the purposes of this report the following 'chief officer' posts are currently defined as Tiers 1-3:

- a) Tier 1: Chief Executive
- b) Tier 2: Director
- c) Tier 3: Assistant Director and/or Head of Service.

8. The need to achieve significant savings as part of the process necessitates a set of guiding principles for the redesign activity as well as an element of challenge to any proposals made to ensure that the opportunities identified are achievable, are sufficiently detailed and that they meet the Council's statutory requirements and political priorities. Therefore, in order to ensure a strong challenge and a comparison to other practices it was decided to appoint, through a competitive tender, external organisational design specialists.

9. In the Budget set by Council in February 2019, the earmarked reserves allowed provision for such one-off funding. The Chief Executive considered options around the engagement of external expertise, which have in other councils cost in excess of £2 million and it was decided that that level of expenditure would be unacceptable, and the key was to enable Directors to drive change. It was decided that the key was to engage

staff and lead a large element of the process with our own staff and use of external experts as challenge and provocateurs to help generate sustainable change.

10. Following tender reviews C.Co Ltd (C.Co) were awarded a phased contract. C.Co have provided similar challenge and advice to other councils across the country. More details can be found at C.Co's website - <https://wearec.co/>.

11. During the last five months C.Co have worked with Senior Officers to:

- Map out options for Tier 1-3 structures
- Agree a set of design principles to help generate and test options against those principles
- Test the roles and levels in the organisation against a best practice model of working
- Review and challenge proposals created by the Directors to ensure they met best practice and affordability.

12. The programme of work was broken down into two stages over three months. The first stage explored different options for the configuration of the Council's different functions. It also involved the development of organisational design principles and a contribution model designed to support the Council to increase productivity whilst enabling it to achieve its strategic objectives. The second stage enabled Directors to apply their thinking to the design of their services, to test and challenge current practices, and to generate alternative models of delivery.

13. These options for delivery have then been subject to discussion to inform the proposed Chief Officer Structure and steps for next actions, that is form follows function. This report sets out the Chief Officer implications and notes the next steps for wider delivery of redesign.

Design Principles and Challenge

14. Design Principles are a way of translating strategy into statements of what must be done to get there. They support organisations to:

- Consider strategic priorities within their Corporate Plan and organisational assessment
- Act as a touchstone for all future organisation design and development
- Ensure application of consistency; helping to develop a robust & fit for purpose organisation
- Provide clarity to all on what is expected in the future: enabling new ways of thinking and 'culture change'
- Set out holistic aspirations which will be demonstrated/enhanced through the structural design
- Set out the blueprint for how resources should be allocated, organised and operated to deliver its stated strategic ambitions.

15. The principles are a guide to aid the thinking and construct of the new design; they are not a prescriptive checklist to test services against. The first phase of the design process involved the development of a set of principles agreed by the Chief Executive and SLT, based on the Council's strategic priorities. The design principles are clustered under five specific themes, and shown in more detail at Appendix 1:

- a) One Worcestershire
- b) Organisation Design
- c) Workforce Support
- d) Customer Focus
- e) Demand Management & Standardisation.

16. The Chief Executive, supported by C.Co, has used the design principles as well as other analytics, research and advice to lead directorate challenge sessions. At each session Directors were required to present proposals for redesign in their area. There have been three iterations of this process. This approach has enabled synergies and cross-cutting themes to be identified across directorates. This process has ensured greater buy-in, engagement and constructive challenge.

Staff Volunteer Thematic Working Groups

17. In addition to support from C.Co, Senior Officers were keen to engage and gather feedback and ideas from staff. As a result a number of staff-led 'volunteer working groups' were established earlier in 2019. Each theme has an agreed terms of reference, an SLT lead, subject matter experts and self-nominating staff volunteers who have helped to drive effective two-way communication within directorates, service areas and teams – acting as champions of the redesign, channelling views, opinions and concerns and providing a sounding board as the programme progresses. This effectively means outputs from each volunteer theme will be brought together with the outputs of the Tiers 1-3 structural redesign to create a bottom-up design ensuring a seamless whole organisation design. The themes and their goals were:

Area	Summary descriptor
Total Reward	To help shape an 'Employer/Employee Value Proposition' that enables Worcestershire County Council (WCC) to recruit, retain and motivate
Working Environment & Accommodation	To ensure a fit for purpose working environment for Future WCC
Culture, Ways of Working & Future Capability	To identify what will be required in terms of ways of working going forward and identify what WCC will need to 'be good at' going forward and how it will develop/buy these skills/capabilities etc.
Communities & Partnerships	To help develop WCC's approach to communities and partnerships
Digital & Systems	To help ensure WCC is digitally enabled and has the systems required to do its work effectively
Performance & Productivity – Eliminating Waste & Driving Efficiency	To identify where and how WCC needs to focus to improve the performance and productivity of individuals and teams. To identify what support and infrastructure is required to achieve high performance working practices and to drive WCC efficiency through identifying waste in systems and processes
Engagement & Communications	To ensure there is a clear communications and engagement plan/strategy both during and post redesign

18. A number of ideas coming from the staff volunteers have already been generated and action taken to improve the way we work. For example:

- Additional work space areas have been set up outside the Council Chamber to address the issue of meeting spaces so as to enable staff to meet
- A number of good practices have been identified where teams are recording their productivity which we can share across the whole organisation
- Learning from other councils and staff's experiences from elsewhere, more effective ways of communicating with remote and home workers, as well as staff in County Hall, are being explored
- Creation of a single point of access for staff wanting to see what benefits the Council currently offers (due to go live in October). This gives staff greater awareness of all the benefits available such as Microsoft licencing, discounts, pension additional voluntary contributions amongst others.

Progress to date

19. In the six months following the approval of the Council's 2019/20 Budget the officers have been undertaking extensive work as can be identified from the background to this report. This has included challenging everything the Council does, and engaging staff as well as the creation of the wholly-owned Council Company, Worcestershire Children First. The scale of the task is significant, and the initial programme of delivery has been revised as a result.

20. It is recognised that the scale and process to implement will mean that structural change below Tiers 1-3 will continue throughout the remainder of 2019/20 and beyond. The revised goal is that the full target is delivered from 1 April 2020. The challenge to date suggests a quick change would not yield longer term efficiencies.

21. As such, alongside this report work is ongoing to look at the ways we work, including:

- Our total reward offer
- Our approach to recognising technical versus management roles
- Creating a culture of performance and productivity
- Where we work from
- How we engage with our residents and service users, in particular our digital capacity and capability, and
- Standardising the way we work, such as income management.

22. To enable these next steps, it is necessary to ensure that the Chief Officer levels are fit for purpose to both deliver change and sustain an effective Council that delivers its Corporate Plan. As such this report proposes a revised Tier 1 to 3 structure, with changes in functional responsibilities. The proposed structure and functions are shown in Appendix 3.

23. The main changes outlined in Appendix 3 are:

- Tiers 1 to 3 will be designated as follows:
 - i. Tier 1: Chief Executive (Head of Paid Service)
 - ii. Tier 2: Strategic Director
 - iii. Tier 3: Assistant Director

- It is proposed to re-designate the three Strategic Director posts at Tier 2, namely to have:
 - A Strategic Director for Economy and Infrastructure
 - A Strategic Director for People
 - A Strategic Director for Commercial and Change
- It is proposed that the Council's statutory posts will be covered as follows:
 - The Director of Public Health will be a Tier 3 post and designated as such in line with the statutory requirements
 - The Section 151 officer will be a Tier 3 post and designated Chief Financial Officer (CFO)
 - The Monitoring Officer and County Returning Officer will be a Tier 3 post and designated Assistant Director Legal and Governance
 - The Director of Adult Social Services will be a Tier 2 post and designated Director of People
 - The Director of Children's Services (DCS) will be a designated role within Worcestershire Children First and assigned to the Chief Executive of WCF to hold the statutory office and perform the role of DCS on behalf of the Council
- A proposed reduction of Chief Officer posts in Tiers 1-3 from 16 to 14, not including those roles in Worcestershire Children First
- A proposed reduction in the number of Tier 2 posts from 4 to 3 as a result of one post (Public Health) moving to Tier 3
- The Assistant Director for Human Resources, Organisational Development & Engagement and Chief Financial Officer will report direct to the Chief Executive. The HR, OD & Engagement function will include communications. This is to ensure that organisational engagement is maximised through the close alignment with Human Resources and Organisational Development
- Proposed changes to the functional coverage of each Directorate are set out below. Therefore, it is proposed to change the title of two of the three proposed Directors. The re-designated Director titles are widely recognised in the market should there be a need to recruit
- A proposed role of Assistant Director for Transformation and Commercial within the new Directorate of Commercial and Change which will replace the current vacant post of Head of Commercial. This is to recognise that the scale of change needed over the next two years is significant. As part of the challenge process it has thus become apparent that the Council needs to add capacity to drive this change at an operational level
- A proposed role of Assistant Director for Communities within the new Directorate of People to align all community-based operational services including Libraries, Arts, Registration and Coroners etc. This will enable a holistic approach to all community-based services
- The Director of Public Health will move from a Tier 2 to a Tier 3 post. This is due to the recommended amalgamation of the current Public Health and Adult Services Directorates into the proposed one Directorate of People. It should be noted that the statutory role of Director of Public Health, whilst proposed to be a Tier 3 post, will not be re-designated Assistant Director as per all other Tier 3 roles

- The post of Head of Finance will be deleted at Tier 3 with a view to creating a new post at Tier 4 at phase 2
- As a result of the proposed changes, a number of larger functional areas will change in terms of directorate accountability as referenced below. There are also a number of smaller functional areas which will need to be decided upon following appointment to the Chief Officer roles:
 - Centralised Project Management – from directorates to Commercial and Change under Transformation and Commercial
 - Registration and Coroners – from Legal and Democratic to People
 - Provider Services – moved to Communities
 - Libraries and Adult Learning – from Commercial and Change to People
 - Archives and Archaeology – from Economy and Infrastructure to People
 - Property, Management Information and Analytics to Transformation and Commercial
 - Centralised Executive Support to Legal and Governance
 - Pensions and procure to pay to Finance
 - CIMU/Information Management – from Legal and Democratic Services to IT and Digital
 - Trading Standards - moved to Public Health.

24. C.Co have supported that the proposed structure provides the appropriate level of capacity and capability, balanced with the drive for efficiency to redesign and manage the organisation.

25. The Council will follow its agreed constitutional requirements including the Appointments Etc Panel process, HR policies and associated processes in consulting and engaging with these staff and recognised Trade Unions following Full Council. The Chief Officers in scope of this report and recognised trade unions have been informally informed of the proposals.

26. If the proposed Directorate structure is approved the Chief Executive will take the necessary steps to implement and recruit to all the Chief Officer-related posts through the Appointments etc Panel as appropriate.

27. The Chief Executive will keep all Members informed of progress.

28. To support the new structures, all Tier 2 posts will work to a SLT generic job description to ensure collective accountability and responsibility for the whole organisation. This will support a corporate One Worcestershire approach in the future at this senior level. The same generic job description approach will also be adopted for all Tier 3 posts. The associated functional 'dimensions' of the roles will be outlined in the job description covering the functional areas of responsibility for each Chief Officer.

29. To further support the generic job descriptions, it is proposed to develop a new set of leadership behaviours which each Chief Officer will be assessed against for development purposes.

Next Steps

30. If the recommendations in this report are approved, appropriate and meaningful consultation will take place with the relevant Chief Officers and the recognised trade unions and in accordance with the Councils HR policies and procedures. An indicative timeline can be seen in Appendix 4.

31. To enable consultation to take place, generic job descriptions will be created and evaluated in accordance with the Council's pay policies and procedures.

32. If the proposed Directorate structures as per Appendix 3 are approved, on appointment via the Appointments Etc. Panel to role, the appropriate Chief Officers will commence the next stage of reviews for all areas of functionality. As has been identified, a significant amount of work has already taken place to identify options, including implications for terms and conditions, places of work and digital support.

33. Chief Officers will be asked to bring forward further structural proposals under a second phase of change which will meet the savings target and follow the Council's HR processes, including engagement and consultation with the recognised Trade Unions and staff. Every effort will be made to first remove vacant posts and assess the ability to redeploy staff. This both supports employment and reduces any costs of redundancies.

34. Where any changes impact on policy or have a significant impact on delivery then they will be brought back through the appropriate governance process, including Cabinet and Council if appropriate. That is most likely to include an update at Council in February 2020 in setting the 2020/21 budget. All operational changes will be carried out under the scheme of delegation by the Council's management.

35. Further progress will be managed under a Transformation Programme.

Financial Implications

36. The overall redesign savings target is £5.845m over the next two years and significant progress has been made in identifying savings. The specific proposals around Tiers 1 to 3 in this report will yield a saving of circa £223,000 recurring at this level but overall, after accounting for the resultant changes at Tier 4, will be a net £115,000. The second phase of work is expected to deliver an in-year saving of circa £500,000 but is predicated on phase 1 as outlined in this report being put in to place promptly as set out in Appendix 4. All further savings will need to have further due diligence and consultation over the coming months and a further detailed report will be presented to the Cabinet as part of the Council's draft budget in December 2019.

37. A full year saving of £3 million may not be achieved in 2019/20 because the implementation will not be until later in the year which means that the full year effect will not be felt until April 2020. Any undue delay would push this further back therefore it is vital that the Council acts to ensure the full savings are made as soon as possible.

38. At this stage sufficient data has been considered to suggest that the target can be met; however due process must be followed and thus a focus on timeliness balanced against decision-making is crucial to the future financial sustainability of the Council. At this stage there is nothing to suggest this cannot be achieved, and progress will be monitored and reported through regular budget monitoring to officers and Council through Cabinet.

39. The Council's budget included a £3 million provision for Transformation. The one-off cost of support to the Head of Paid Services by C.Co has been £232,000. As such there is still sufficient earmarked reserves to deliver future stages of redesign.

Human Resources Implications

40. The Head of Human Resources & Organisational Development has been involved in the process surrounding Tiers 1 – 3 and the overall redesign programme. As this postholder is also potentially affected by the proposal additional consultation and advice has also been provided to the Chief Executive by another senior HR Lead to ensure independence.

41. The scale of the changes will mean the need to continually review the resources and capacity of the service, and where appropriate consideration of additional resources will be taken in light of a cost versus benefit analysis to ensure progress can be maintained.

42. The Council will need to follow its own HR policies and processes and every effort will be made to ensure we engage and consult fully with all stakeholders in line with our policies.

Legal Implications

43. The Council's Directorate structure is a matter for full Council, and appointment of the Council's Chief Officer-related posts (Tier 1-3) is reserved to Full Council and/or the Council's Appointments etc Panel on its behalf. Establishing the detailed specifications and terms and conditions for, appointments to or dismissals from, a Chief Officer-related post will normally be undertaken by the Panel.

44. It is proposed that the Assistant Director Legal and Governance will be the Council's statutory Monitoring Officer and County Returning Officer. All other statutory posts are included in Appendix 3.

Privacy and Public Health Impact Assessments

45. No particular impacts have been identified.

Equality and Diversity Implications

46. The Council must, during planning, decision-making and implementation, exercise a proportionate level of due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

An Equality Relevance Screening has been carried out in respect of these recommendations.

47. The Cabinet has considered and supported the above proposals and now recommends that they are agreed by Council.

Supporting Information

- Appendix 1 – Design Principles
- Appendix 2 – Current Structure Chart, tiers 1-3 including functionality
- Appendix 3 – Proposed Structure Chart, tiers 1-3 including functionality
- Appendix 4 – Indicative timeline

Contact Points

County Council Contact Points

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Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meeting of Cabinet held on 5 September 2019

Design Principles

a) One Worcestershire

- i. We will demonstrate a “One Worcestershire” approach – across Council departments and with our partners to provide effective and efficient services across the county.
- ii. We will be business-like in how we speak and how we operate.
- iii. We will be fast followers of best practice and innovation.

b) Organisation Design

- i. Our structures will support the future governance arrangements of the Council, allowing chief officers and members to make clear and effective decisions to support our strategy.
- ii. Our structures will be clearly arranged around the delivery of corporate priorities.
- iii. Structures will be affordable and meet future savings parameters collaboratively.
- iv. We will ensure that all structural decisions are evidence based and designed against demand.
- v. We will take a whole systems approach to designing our new structures, ensuring everything we do creates value.
- vi. Our structures will have spans of control which are appropriate to the services being delivered. The levels/tiers within the organisation will be based on contribution and will not exceed 6 layers of contribution.
- vii. Our structures will provide a platform for continued change and development.

c) Workforce Support

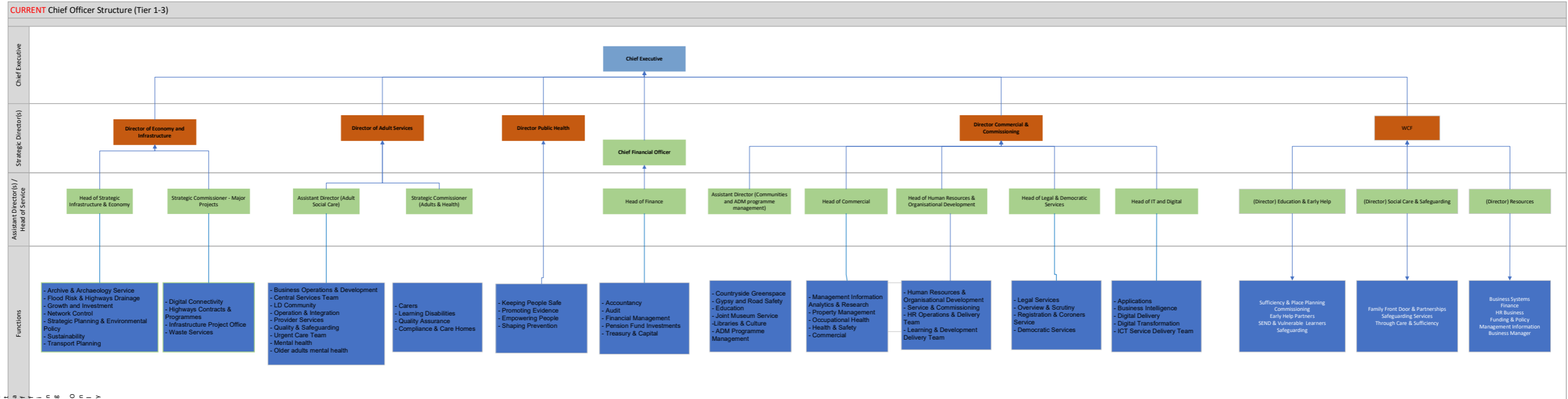
- i. We will invest in our workforce to ensure we have the right people in the right roles for our future organisation.
- ii. We will have a professional, enabled and flexible workforce that uses intelligence and insight to respond to changes in demand.
- iii. We will ensure we have modern and competitive people policies, practices and structures to attract and retain the right talent.

d) Customer Focus

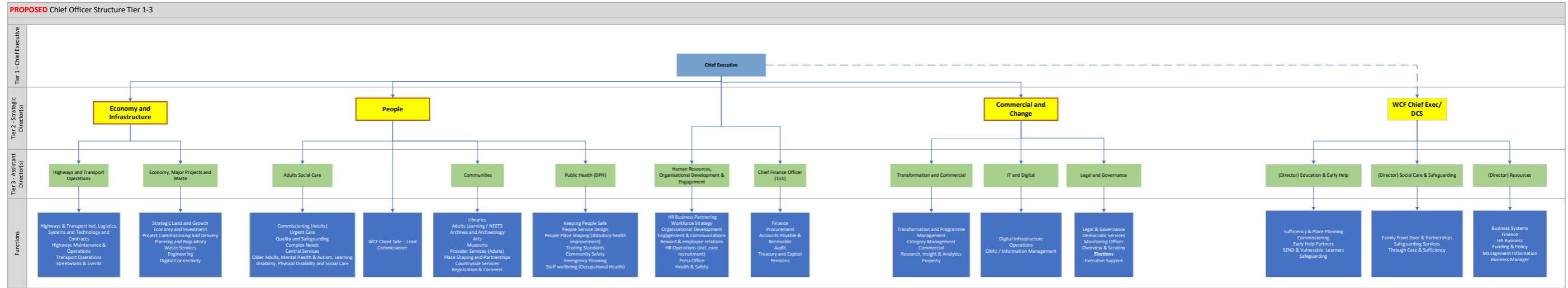
- i. We will only undertake activity that adds value to the customer allowing our resources to be focused on those who truly need it.
- ii. We will be structured around community need rather than Council function, ensuring those with common goals work together.

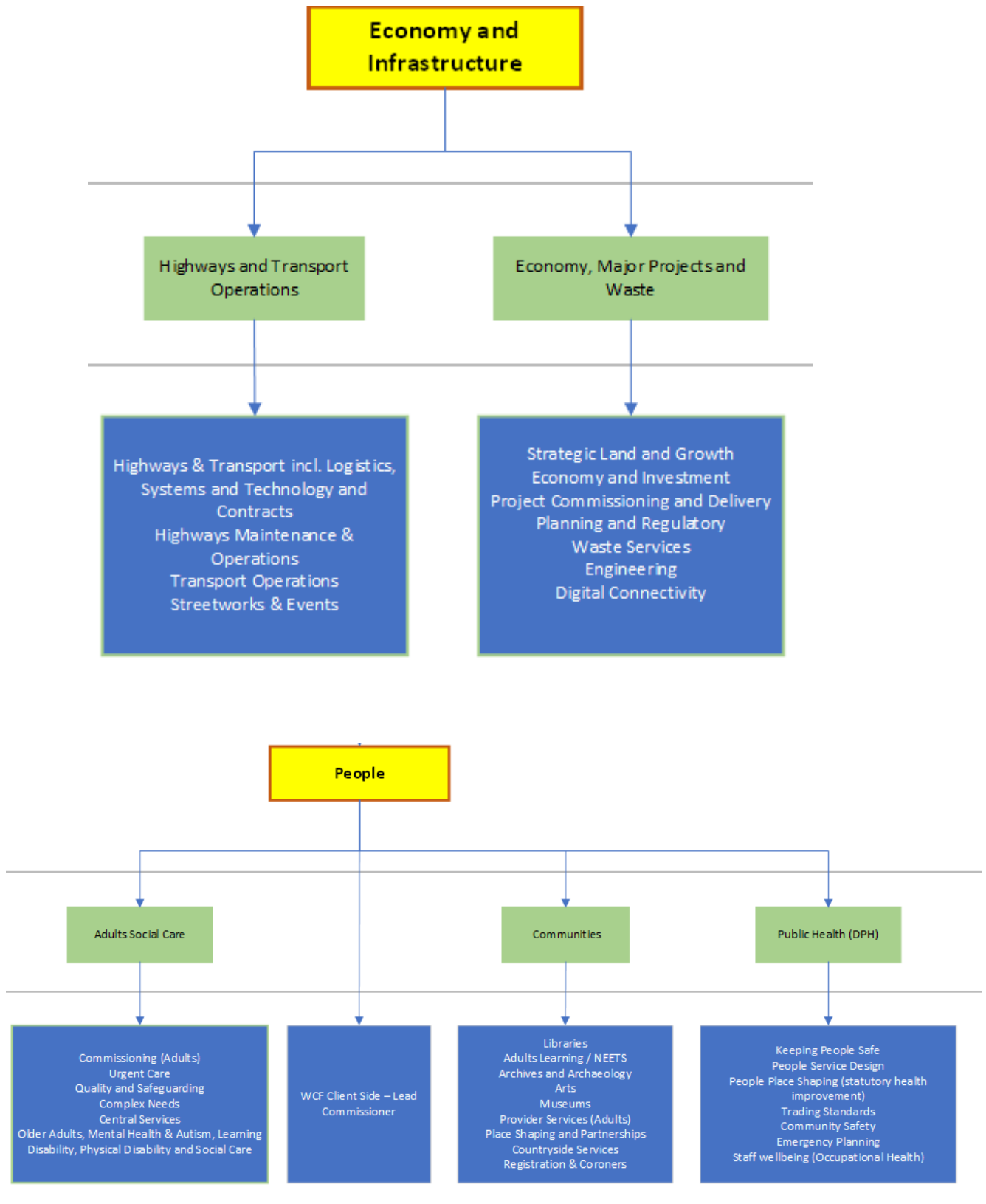
e) Demand Management & Standardisation

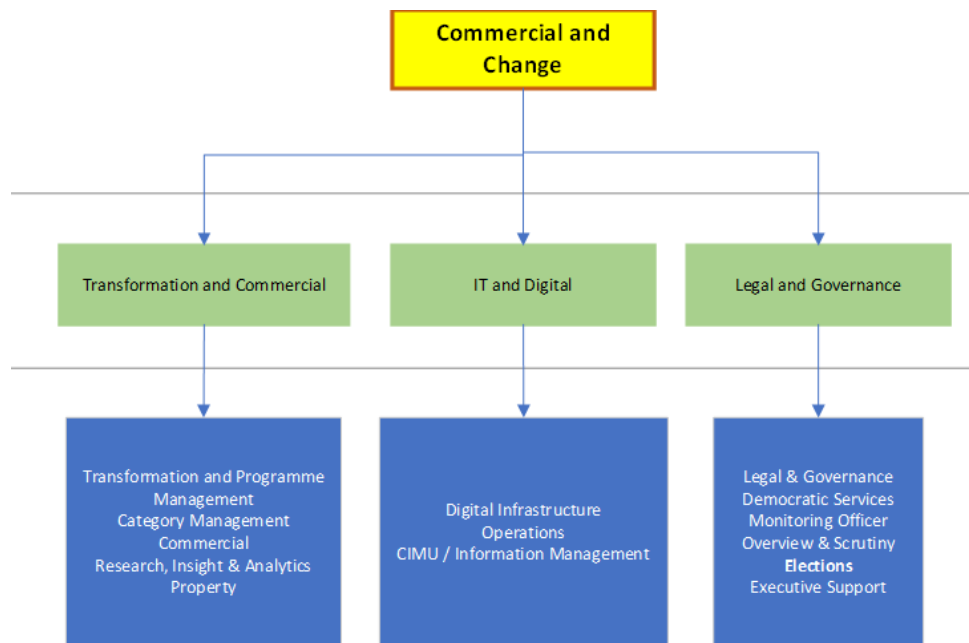
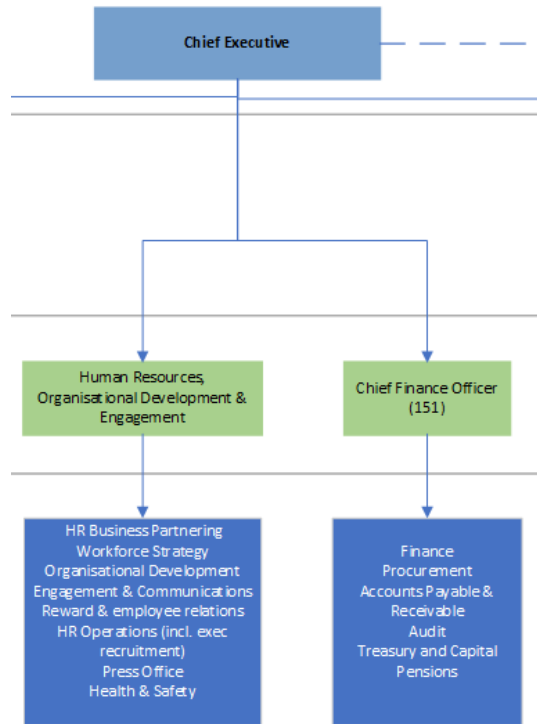
- i. We will adopt and encourage standardised and minimal processes and group common functions into a central structure.
- ii. We will manage demand for services, adopting modern technology to deliver a digital by default approach to support customers to do more themselves.

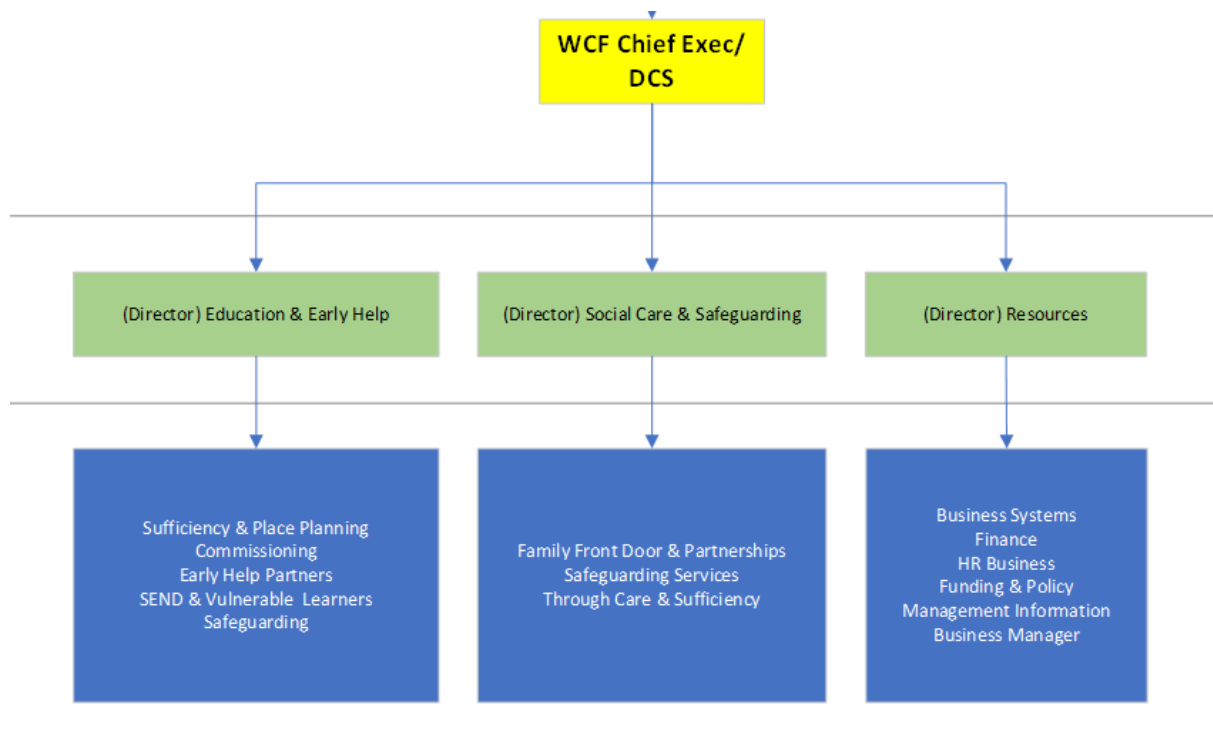


Proposed Structure









Indicative timeline:

The following provides an indicative timeline only and will be subject to change

ACTION	DATE
Full Council	Thurs 12 September
Consultation paper drafted, including generic job descriptions and evaluation (as required)	By end of September
Hold Appointments Etc. Panel (as required) to approve Job Descriptions/appointment process	September
Commence formal consultation with Trade Unions / Chief Officers	October
1:2:1 meetings (if required)	October
Return of preference forms (if required)	October
End formal consultation	November
Consider any consultation feedback	November
Selection process for posts including competitive interviews via Appointment Etc. Panel as needed	November
Appointment to new structure	December

If any post remains vacant at the end of the internal process then appropriate external recruitment would need to then take place and be agreed by an Appointments Etc. Panel.