



General Purposes Committee

Thursday 28 March 2013 at 7.00 pm

Committee Room 4, Brent Town Hall, Forty Lane,
Wembley, HA9 9HD

Membership:

Members

Councillors:

Butt (Chair)
R Moher (Vice-Chair)
Beswick
Brown
Cheese
Hirani
Kansagra
Long
Lorber
J Moher

first alternates

Councillors:

A Choudry
Jones
Arnold
Beck
Sneddon
Van Kalwala
Colwill
Al-Ebadi
Hopkins
Chohan

second alternates

Councillors:

Krupa Sheth
Kabir
Mrs Bacchus
Matthews
Green
Aden
BM Patel
Naheerathan
Hunter
S Choudhary

For further information contact: Lisa Weaver, Democratic Services Officer
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The press and public are welcome to attend this meeting

Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members

Item **Page**

1 Declarations of personal and prejudicial interests

Members are invited to declare at this stage of the meeting, any relevant financial or other interest in the items on this agenda.

2 Minutes of the previous meeting 1 - 6

3 Matters arising

4 Deputations (if any)

5 Restructuring the senior management of the Council 7 - 28

The restructuring in 2010 was a key step in addressing these issues. As well as the reconfiguration of departments and the move towards more integrated corporate support functions, it included a substantial downsizing of management posts at all tiers, with an overall reduction of two hundred management posts at a saving of £7million. These changes have gone a considerable way to achieving the more streamlined and integrated organisation they were aimed at delivering. However, the Council continues to face significant challenges not least the huge pressures on the funding of public services, which are becoming even more severe than was anticipated three years ago. This requires a further evaluation of the Council's senior management structures in order to deliver additional savings in senior management costs and create more streamlined management structures that can better meet these continuing challenges. The proposals in this report are aimed at meeting these two objectives and include a number of significant changes to departmental and corporate structures as well as the roles of first and second tier managers.

Wards Affected:

All Wards

Contact Officer: Christine Gilbert,
Interim Chief Executive

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christine.gilbert@brent.gov.uk

6 One Council Project - Realigning Corporate and Business Support 29 - 34

The Realigning Corporate and Business Support project has two strands, the first relating to administrative or business support functions, the second relating to specialist or professional support functions e.g. finance, legal, human resources and policy.

Wards Affected:

All Wards

Contact Officer: Fiona Ledden,
Director of Legal and Procurement

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7 Appointments to Sub-Committees / Outside Bodies

8 Any other urgent business

Notice of items to be raised under this heading must be given in writing to the Democratic Services Manager or his representative before the meeting in accordance with Standing Order 64.



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LONDON BOROUGH OF BRENT

MINUTES OF THE GENERAL PURPOSES COMMITTEE Tuesday 22 January 2013 at 7.00 pm

PRESENT: Councillor Butt (Chair), Councillor R Moher (Vice-Chair) and Councillors Cheese, Hirani, Long, Lorber, J Moher and Arnold

Apologies for absence were received from: Councillors Beswick and Brown

1. **Declarations of personal and prejudicial interests**

There were no declarations of personal or prejudicial interest.

2. **Deputations (if any)**

None.

3. **Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 27 November 2012 be approved as an accurate record of the meeting.

4. **Matters arising (if any)**

None.

5. **Order of the agenda**

The committee agreed that the order of the agenda be amended to as follows: -

- Proposed changes to the Disciplinary Procedure
- Calculation of Business Rates Income 2013/14
- Calculation of Council Tax Base 2013/14
- Appointments to Sub-Committees / Outside Bodies
- Any Other Urgent Business

6. **Proposed Changes to the Disciplinary Procedure**

Cara Davani (Assistant Director of People and Development) presented a report to the committee which set out proposed changes to the Disciplinary Procedure in respect of appeals against dismissal for gross misconduct. The committee had previously received a report on this issue at its meeting on 13 September 2012. This report had recommended that appeals against dismissal for gross misconduct

be heard by a senior officer and not a member panel. The committee had deferred further consideration of the draft policy until the proposals had been considered at the forthcoming meeting of the Employees' Joint Consultative Committee (JCC).

Cara Davani explained that the meeting of the Employees' JCC had been held on 26 November 2012 and the objections raised by the Trade Unions were summarised in the report before the committee. The Trade Unions had argued that the proposed changes to the policy amounted to an attack on employee rights, noting that statistically, appeals to members were more likely to be successful than appeals to senior officers. It was also considered that the proposed changes should be applied to all members of staff equally where possible and therefore, those at Assistant Director level should not be excluded from the senior officer determined appeals process, as the original proposal had suggested. A number of concerns had also been raised by members at the Employees' JCC. In view of these concerns and the position of the Trade Unions, it was proposed that if the committee did not wish to proceed with the original proposal, it may wish to consider a compromise solution of a 12 month pilot scheme. The pilot scheme would carry forward the proposal that senior officers would be responsible for determining appeals against dismissal for gross misconduct but would also include a measure to allow appellants to make a case that their appeal should be heard by a member panel. The Assistant Director People and Development would be responsible for considering such requests. After the pilot had been completed a further report would be submitted to the committee assessing the success of the scheme.

During the subsequent discussion, members acknowledged the concerns raised by the Trade Unions and members at the meeting of the Employees' JCC. It was commented that the recent changes to the employment tribunal process provided an important context to the decision before the committee but it was also accepted that there was a move within local government towards officer determined appeals processes. Turning to the proposed pilot scheme, members sought clarity on how it would be assessed to evidence whether full and fair judgements had been made. Members also noted the concerns expressed regarding the administration of the appeals process and the issues which could lead to delay; it was agreed that a review of this should be undertaken.

Responding to members' comments Cara Davani agreed that a review of the administration of the appeals process would be held. With regard to the pilot scheme, on its completion an analysis would be conducted for the year of its operation and presented to the committee in a report by the end of March 2014.

Councillor Cheese commented that he agreed with the position of the Trade Unions and felt that the existing system for considering appeals against dismissal for gross misconduct was sufficient and should remain.

RESOLVED:

- (i) that the concerns raised at the Employees' Joint Consultative Committee meeting held on 26 November 2012 be noted;
- (ii) that a pilot scheme be established to run for a period of 12 months, under which appeals against dismissal for gross misconduct will be heard by senior

officers, except where an application for the appeal to be heard by a member Panel has been made and agreed to by the Assistant Director of People and Development;

- (iii) that under the terms of the pilot scheme, appeals against dismissal for gross misconduct submitted by Assistant Directors be heard by senior officers.

7. **Calculation of Business Rates Income 2013/14**

Mick Bowden (Deputy Director of Finance) presented a report to the committee setting out the calculation of the estimated income from National Non Domestic Rates (NNDR), also known as Business Rates, to be used for 2013/14. This figure would be used in the calculation of the council tax requirement for 2013/14 and was required to be agreed by 31 January 2013. This was a new requirement introduced by the Local Government Finance Act 2012. Prior to the introduction of this Act, business rates were passed to central government and redistributed from a national NNDR pool to local authorities according to a complicated formula for spending need. Under the Local Government Finance Act 2012 50% of business rates would be retained locally, and the remaining 50% would be redistributed by central government as before. In London, the Greater London Authority (GLA) would receive 20% of funds, leaving local authorities with 30% of the overall business rates collected within its boundaries.

Mick Bowden explained that the government had estimated the income from NNDR for the Council £30.623m. This equated to 30% of an overall NNDR figure for Brent of £102.078m. This overall figure had been calculated using the baseline position provided by the Department for Communities and Local Government (DCLG) which drew on figures for 2010/11 and 2011/12. As Brent had previously received significantly greater amounts than its contribution to the national NNDR pool it would receive a top-up payment of £46.534m, which would increase by RPI each year. It was emphasised that it was extremely difficult to accurately estimate this figure. Consequently, a further calculation would be required each year of the surplus or deficit on the NNDR part of the collection fund. The additional income from a surplus or the burden of a deficit against the estimated figure would be apportioned as the overall NNDR estimated income; 30% to Brent, 20% to the GLA and 50% to central government.

The committee raised several queries in the subsequent discussion. Further information was sought regarding the stability of the estimated income on a year by year basis and it was queried how Brent compared with its statistical neighbours. Members noted the impact of the issues raised in relation to the Valuation Office (VO) and queried whether their initial valuations were efficiently conducted. With reference to successful appeals against the VO, it was also queried how those that were backdated were reflected in the council's accounts.

In response to members' queries, Mick Bowden advised that the basic process of administering business rates had not changed and therefore, evidence could be drawn from past years returns. The greatest area of risk applied to the level of appeals against the VO's valuations. The DCLG had recommended that a figure of 5% be used to account for the adjustments required by successful appeals, which would equate to a reduction in rate yield of £5.965m. The Council had lobbied the government on this matter with partial success. The 5% figure largely reflected the

average impact of these appeals in Brent in previous years and it had therefore been used in the calculation of the estimated income but the potential for large liabilities springing from successful appeals remained. The number of successful appeals did prompt concerns regarding the accuracy of initial valuations; however, the council did have to rely on the information provided by the VO when calculating its estimate. Successful appeals that were back dated would be accounted for within the collection fund accounts..

RESOLVED:

- (i) that the estimated income from NNDR (net rate yield) for 2013/14 be set at £106,307,048.
- (ii) that it be noted that Brent would retain 30% of this figure, equalling £31,892,114, with 50% being paid to central government and the remaining 20% to the Greater London Authority.

8. **Calculation of Council Tax Base 2013/14**

Mick Bowden (Deputy Director of Finance) presented a report to the committee setting out the council tax base calculations to be used for 2013/14. The level of council tax base set would be used in the calculation of the council tax for 2013/14 and was required to be set by 31 January prior to the start of the financial year. The calculation was initially based on the council tax base return submitted to the Department of Communities and Local Government (DCLG) in October 2012, which was used in government grant calculations. For 2013/14 the tax base used in grant calculations would be 101,875 Band D equivalent properties. This figure would need to be adjusted from 2013/14 onwards to take account of changes introduced by the Local Government Finance Act 2012.

Mick Bowden explained that under this Act, the previous scheme of Council Tax Benefit (CTB) had been replaced by a new localised Council Tax Support Scheme. Local authorities had previously received a 100% subsidy on the actual cost of CTB granted. Under the new arrangements, local authorities would receive a fixed annual grant, designed to cover 90% of the previous cost of CTB, and would be required to establish their own council tax support schemes. The result of this was that local authorities would have to fund the reduction in subsidy, together with any further increases resulting from any rises in the level of Council Tax, or from caseload changes. The Act also gave Local authorities the power to make a range of changes to exemptions from Council Tax under its local scheme. The Council had agreed the Brent Council Tax Support scheme at its meeting on 10 December 2012, the overall effect of which was to give an estimated adjusted tax base figure of 80,408. The council tax base set by the council also needed to take account of the likely collection rate and it was recommended that this be set at 96%. This had been scaled down from an expected 97.5% to take into account the changes resulting from the Local Government Finance Act 2012. In particular, it was highlighted that there would be over 22,000 households in Brent who had previously been receiving part or full CTB, but which now would be required to pay some or all of their Council Tax. It was considered inevitable that this would have an adverse effect on the overall collection rate, but as there was no history of

collection data to examine, a large element of assumption would be necessary for 2013/14. The resulting council tax calculation returned a council tax base of 77,191.

During members' subsequent discussion, it was queried whether other sources of evidence could be drawn upon to assist in determining whether residents were likely to pay their council tax, including information from housing associations regarding payment histories. The committee further queried how Brent's collection rate compared with other boroughs. Councillor Lorber commented that he felt that 96% was a bit low and that whilst it might be a challenging target, it was important to send out the right message.

In response, Mick Bowden advised that as these council tax payments would be a new requirement for some, there was still uncertainty regarding eventual collection rates. Brent's collection rate assumption was in line with other boroughs and further evidence would be gathered in forthcoming years.

RESOLVED:

- (i) that the collection rate for the council tax for 2013/14 be set at 96%
- (ii) that in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, the council tax base for 2013/14 be set at 77,191.

9. Appointments to Sub-Committees / Outside Bodies

None.


10. Any Other Urgent Business

None.

The meeting closed at 7.45 pm

M BUTT
Chair

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	<p style="text-align: center;">General Purposes Committee</p> <p style="text-align: center;">28 March 2013</p> <p style="text-align: center;">Report from the Interim Chief Executive</p>
<p>For Action</p>	
<p style="text-align: center;">Restructuring the senior management of the Council</p>	

Appendix 2 to this report is not for publication

Appendix 2 to this report is not for publication as it contains the following category of exempt information as specified in Schedule 12A of the Local Government Act 1972, namely: "Information relating to any individual" and "Information which is likely to reveal the identity of an individual".

1. SUMMARY

- 1.1 The Council underwent a major restructuring in 2010 aimed at reshaping the organisation to better meet the very major financial and strategic challenges emerging at that time, as well as the significant opportunity of the move into the new Civic Centre. These challenges included long-standing issues resulting from operating as a fragmented organisation with a traditional departmental structure, as well as structure and staffing issues identified in an external assessment of the Council. This assessment highlighted a number of critical areas in which the Council needed to become more efficient, leaner and more streamlined, including in its management structures and back office organisation.
- 1.2 The restructuring in 2010 was a key step in addressing these issues. As well as the reconfiguration of departments and the move towards more integrated corporate support functions, it included a substantial downsizing of management posts at all tiers, with an overall reduction of two hundred management posts at a saving of £7 million. These changes have gone a considerable way to achieving the more streamlined and integrated organisation they were aimed at delivering.

The need for further structural change

- 1.3 However, the Council continues to face significant challenges not least the huge pressures on the funding of public services, which are becoming even more severe than was anticipated three years ago. This requires a further evaluation of the Council's senior management structures in order to deliver additional savings in senior management costs and create more streamlined management structures that can better meet these continuing challenges. The proposals in this report are aimed

at meeting these two objectives and include a number of significant changes to departmental and corporate structures (shown diagrammatically in the structure chart at appendix 1), as well as the roles of first and second tier managers. They include:

- a reduction in the size of the corporate management team from nine to five
- a reduction in the number of CMT Director posts from eight to four and a reduction in the number of Assistant Director posts from nineteen to fourteen
- a refocusing of first and second tier posts across the council to strengthen the strategic remit of Directors and the responsibilities of Assistant Directors
- the creation of an Education, Health and Social Care department, bringing together education, children's and adults' social care and public health
- the reshaping of the corporate centre, including the deletion of the Finance and Corporate Services department, the Legal and Procurement service and the Strategy, Partnerships and Improvement Department, with the reallocation of their functions across a new Governance and Corporate Services Department, a standalone Finance function and an Assistant Chief Executives service.

- 1.4 The changes at Director and Assistant Director level will deliver a saving of approximately £900,000 and are expected to be in place by 1 September 2013, subject to meeting the requirements of the council's Managing Organisational Change policy.
- 1.5 The report also outlines the approach to the further changes that will need to be made in departments and the corporate centre both as a result of the top tier changes and in order to achieve additional savings of approximately £2 million. This will be achieved initially through streamlining of the number of Heads of Service which will commence in May 2013. Savings of just under £3 million will therefore be generated from these changes. They will be developed in conjunction with the relevant Directors and the interim Chief Executive. Subsequent changes at lower managerial levels are likely to be small scale and will be implemented thereafter at departmental level.

2. RECOMMENDATIONS

The General Purposes Committee is recommended to:

- 2.1 agree, subject to staff consultation, the deletion of the Finance and Corporate Services Department, the Customer and Community Engagement Department, the Strategy, Partnerships and Improvement Department and the reallocation of their functions as set out in section 4 of this report.
- 2.2 agree the creation of the Education, Health and Social Care Department as set out in section 4 of this report.
- 2.3 agree that the statutory roles of Director of Children's Services and Director of Adult Social Services will be undertaken by either the Strategic Director or the relevant Operational Director in the Education, Health and Social Care department.

- 2.4 agree the creation of the Governance and Corporate Services Department as set out in section 4 of this report.
- 2.5 agree the changes to the Regeneration and Major Projects Department as set out in section 4 of this report.
- 2.6 agree the changes to the Environment and Neighbourhood Services Department as set out in section 4 of this report.
- 2.7 agree the deletion of the posts of Director of Finance and Corporate Services, the Director of Customer and Community Engagement, the Director of Strategy Partnerships and Improvement, the Assistant Director, Corporate Policy and the Assistant Director, One Council Programme, subject to staff consultation where appropriate, although it is recognised that some post holders may wish to waive their rights to consultation in the event of voluntary redundancy being pursued.
- 2.8 agree the creation of the posts of Strategic Director, Corporate Services and Governance, Chief Finance Officer and Assistant Chief Executive, with the functional responsibilities for these posts described in section 4, subject to staff consultation.
- 2.9 note the impact of the proposed structural changes on affected staff set out in appendix 2.
- 2.10 authorise the interim Chief Executive, in consultation with the Leader of the Council, to make such other changes as may be needed to give effect to the proposals in this report.

3. KEY DRIVERS FOR FURTHER STRUCTURAL CHANGE

- 3.1 Since 2010, the overall funding position for local government and the public sector has become even more severe. The Government has already indicated the squeeze on public finances will need to continue beyond the lifetime of this Parliament and the expectation must be that local government will continue to carry a disproportionate share of those cuts.
- 3.2 Other changes in the external environment that were only on the horizon in 2010 are now in place, most importantly the restructuring of the national health service and transfer of public health to the Local Authority, as well as the changes in school provision, roles and funding and their effects on the Local Authority. The full implications of these changes for the council's structural arrangements can now be assessed and reflected in proposed reconfigurations.
- 3.3 It is also an opportune time to assess the structural changes made in 2010 and the extent to which they have supported the moves towards becoming a more integrated and streamlined organisation. Undoubtedly, there has been marked progress in the way the Council operates and functions as an organisation, evidenced through the significant savings delivered through the One Council programme, the successful

build and imminent move into the Civic Centre and the greater integration of cross-council functions.

- 3.4 Although progress has been made in reducing managerial costs, much more needs to be done. It is clear that the size of Brent's top management structure is considerably bigger than other London councils and this is replicated in the number of assistant director and head of service posts. The 2010 re-structuring report described the management to staff ratio in the council as very narrow, 'typically one manager to 2.5 staff where industry best practice averages one manager to 6 staff'. Since 2010, there has been a significant shift towards this latter figure but more still needs to be done across the most senior tiers of the organisation to reduce managerial layers.
- 3.5 These factors make it necessary to assess opportunities for further streamlining of the council's structures to ensure they are leaner, reflect the changing environment where this makes sense to do so, and strengthen the strategic capacity needed to meet the substantial challenges and opportunities the organisation must manage over the next period.

Financial Pressures

- 3.6 In December 2012, the government announced a provisional two year settlement for local government that covered 2013/14 and gave indicative figures for 2014/15. A one year spending review for 2015/16 is anticipated for June. This means some uncertainty about funding for future years, but it is possible to make some assumptions based upon the national figures included within the Autumn Statement in December 2012. The provisional settlement figures detail a reduction in Revenue Support Grant of £20m for 2014/15 and current assumptions are that funding will continue to fall in future years with reductions of £13m and £12m in 2015/16 and 2016/17 respectively.
- 3.7 Given these and other assumptions concerning increasing demand pressures, changes in prices and inflation, reducing income and service demand will require savings in total by 2016/17 of £55m, with £20 million in 2014/2015, £17 million in 2015/2016 and £17 million in 2016/2017.
- 3.8 ***The scope for further management and corporate savings*** The financial challenges facing the council require a constant reassessment of all costs and, given the council's continuing commitment to protecting frontline services as far as possible, particularly rigorous scrutiny of management, corporate support and back office costs is necessary.
- 3.9 While the corporate centre is delivering savings of £1.085m in 2013/14, the overall net cost of corporate support is still £37 million. Aside from the overall imperative to make savings, other factors point towards a reducing requirement for corporate support functions, including:
- the likelihood the organisation will continue to reduce in size and scale of activities over the short and medium term

- the opportunities for further integration in the new Civic Centre, with resulting efficiencies from bringing together currently dispersed resources
 - the implementation of new systems, which will streamline processes and further reduce dedicated support requirements
 - a number of longer term developments, which are likely to see further changes in council configurations, including Project Athena and moves towards shared services as well as more innovative approaches such as the development of mutuals.
- 3.10 Given these factors, further savings must be made in these areas and the earlier these are achieved, the greater the impact in easing the financial pressure in future years, as well as the pressure on frontline services. The approach to the 2013/2014 corporate savings aimed to avoid the traditional target driven approach in favour of a dialogue between service and corporate departments and while this identified a number of significant issues about the purpose, roles and organisation of corporate support functions, it was less successful in delivering savings
- 3.11 This will of necessity require further consideration of the roles, organisation, resourcing and management of corporate support functions, as well as further restructuring below assistant director level, following implementation of the proposals in this report.
- 3.12 The interim chief executive, in conjunction with directors, will also scrutinise departmental structures at all levels to achieve further savings, with particular attention focusing on
- the operation of corporate support functions
 - streamlining management at head of service level
 - to ensure highest levels of service are achieved.
- 3.13 In order to achieve the level of savings required, it is therefore proposed to set an overall savings target for corporate services and departmental management structures of a full year saving in 2014/15 of at least £2 million. This is in addition to the approximately £900,000 saving to be achieved from the restructuring of director and assistant director management tiers. Detailed proposals regarding the reconfiguration of heads of service are currently being developed and will be ready for consideration in May 2013. It is anticipated that as a consequence of changes at this level that some further reshaping of the workforce will result.

The changing role of the Council

- 3.14 The scale of the challenge to public services through the reductions outlined above is considerable. It cannot be managed by the traditional local government responses of streamlining staffing and restricting access or eligibility to services which may be of poorer quality than they are now. This can only lead to conflict and declining trust among local people. We must:
- find more innovative ways of preventing demand for public services arising in the first place
 - do more to ensure that if a need arises, ways are found to meet it without relying on public services

- help people themselves self-manage a long term need, rather than relying on a service
- minimise duplication by integrating all services-not just those provided by the council-around individuals, thereby facilitating a more personalised and coherent approach
- explore ways of enabling service users to improve services by commissioning services directly.

3.15 The future will require some radical thinking about the ownership and running of services. In some parts of the Council, there is already active consideration of the potential offered by different processes and structures of delivery and governance. This sort of thinking needs to be undertaken across all services and in collaboration with local people and our partners. There is a need also to better appreciate the resources that lie within our communities and develop new measures of social value to sit within our scorecard of outcomes. The Council needs to ensure co-operation is embedded as a way of thinking and acting in all aspects of our work.

Assessing the 2010 structural changes

- 3.16 The major departmental changes in 2010 put in place a substantially strengthened approach to regeneration, economic development and employment through the creation of the Regeneration and Major Projects Department, a clearer focus on local service delivery, sustainability and the environment through the reconfiguration of the Environment and Neighbourhood Services Department and additional resources and a strengthened remit to implement the One Council Programme through the Strategy, Partnerships and Improvement Department.
- 3.17 These have in large part been successful. The Regeneration and Major Projects Department has undoubtedly given the Council's work and delivery in relation to regeneration, economic development and employment extra weight, focus and effectiveness at a time when the effects of the recession continue to have an adverse effect on the national, sub-regional and local economy, and on local people. The Environment and Neighbourhood Services Department is leading a number of significant sub-regional and local partnerships and developing different approaches to significant issues such as waste management. The One Council Programme, led by Strategy, Partnerships and Improvement, has delivered change and substantial savings.
- 3.18 The emphasis of the changes on creating a more cohesive and integrated organisation has also borne fruit. The success of the One Council programme is the result not only of effective corporate management but also the collective, coordinated efforts of all departments, either leading service specific projects or contributing to cross-council projects. Of the two major cross-council change programmes - the build and move into the Civic Centre and the One Council Programme – one is on the verge of being successfully completed and the other is now well embedded in the organisation having delivered change and substantial savings.
- 3.19 What the restructuring in 2010 did not do was reduce the overall number of departments or directors, or the size of the corporate management team. This

reflected the legitimate concern that at that point in the development and delivery of the very substantial change agenda facing the Council, the specific balance of portfolios, specialist knowledge and skills provided by the current corporate management team was essential. The successes alluded to above suggest an organisation that is now more mature and confident about delivering change and is better equipped to do so.

- 3.20 This is not to suggest the need for continuing and significant change has eased, or that there is no longer a need for the One Council programme – given the current context and the serious challenges facing the organisation this would be unwise. There also remains too much inconsistency of process and approach as initially identified in the 2010 report. These re-structuring proposals take the opportunity to build on successes and move the organisation onto the next stage of its development. It is the opportune time to reassess the way change and improvement are managed, resourced and delivered. This includes the role and strategic leadership required from the corporate management team and more specifically the role of the corporate support services in relation to the Council’s continuing change and improvement agenda.

Externally driven changes

- 3.21 It was clear in 2010 that changes in health and education would have significant implications for local authorities, though the detail of these changes was not known at that point. The restructuring report in 2010 clearly indicated that further structural changes could be expected in relation to education, children’s social care and adults social care, with the most likely consequence being a merger of children’s and adults social care with public health.
- 3.22 **Changes in education** The large increase in the number of academies in the secondary sector since May 2010 has been mirrored locally. The emergence of free schools adds to the growing diversity. These changes continue what has been the general direction of travel for some time, towards greater autonomy for schools. This is requiring local authorities to rethink their roles, organisation and resourcing to respond to these changes.
- 3.23 **Changes in health and social care** The major changes in the national health service will go live in April 2013, including the transfer of public health to the council. Changes include important requirements and opportunities for joint working between the new GP led clinical Commissioning Group (the CCG) and the Council in the strategic planning, commissioning and delivery of health and public health services, with the shared aim of improving health outcomes in the borough.
- 3.24 Alongside this, the long term trend towards greater integration between health and social care services is being given renewed emphasis by the Government, in part through the Care and Support Bill currently going through Parliament.

4. RECONFIGURING FRONTLINE AND CORPORATE SUPPORT SERVICES

- 4.1 This conjunction of factors – the need for further substantial savings in management costs and support costs, the opportunity to build on the successful changes that have resulted from the earlier council restructuring and the much clearer picture concerning key external changes – mean this is an opportune time to consider a further council reconfiguration and refocusing of senior management roles.
- 4.2 The proposals in this report include an overall reduction in the number of departments and reconfigurations of functions between departments. The main structural changes are shown diagrammatically in appendix 1 and described in more detail in the following section of this report. In summary, the changes include:
- the creation of a new department for Education, Health and Social Care bringing together the current Children and Families Department, the Adult Social Care Department and Public Health, which will transfer into the Council in April 2013. This creates opportunities to more effectively integrate social and health care functions, while maintaining not only the important linkages between education and children’s social care but also those between children and adults.
 - an expansion of the Regeneration and Major Projects Department, with the transfer into the department of Customer Services. This supports a closer alignment between employment and welfare activities and to reflect this the department will be retitled.
 - the creation of the Governance and Corporate Services Department, encompassing the support functions: Legal; Human Resources; IT; Procurement; Democratic Services; Business Support Service. It will also include the equalities function from the Customer and Community Engagement Department, which will support closer integration of the work of Legal, HR and the Equalities Team in developing and supporting the Council’s equalities agenda.
 - the transfer of Community Safety to the Environment and Neighbourhood Services Department from Strategy, Partnerships and Improvement. This function has important linkages with a range of services in the department and locating them alongside those services will support the more effective development and delivery of their respective strategies and programmes. The Department will be renamed Environment and Neighbourhoods.
 - the creation of an Assistant Chief Executive post, with responsibility for ensuring there is clear and consistent strategy, policy and activity across departments and that our internal and external communications reflect this clarity and coherence. The Assistant Chief Executive will lead on policy, scrutiny and performance, community engagement and inclusion, cooperation and partnership development, the One Council Programme and communications. S/he will have a high profile presence outside the Council.
 - the deletion of the Finance and Corporate Services Department, the Customer and Community Engagement Department, the Strategy, Partnerships and Improvement Department and the transfer of the Legal and Procurement Service to the Governance and Corporate Services Department.

- 4.3 The detailed changes are set out below and an overview is provided for each department. These provide reasonable clarity at this stage but there is a considerable amount of detail that will need to be developed, particularly in relation to definitions of the specific activities within any broad function that are retained within that function or transferred.
- 4.4 **Education, Health and Social Care Department** The move towards more integrated approaches between health, children's and adults' social care has been developing over many years. It has gained considerable momentum over the recent period, in particular with the changes in the national health service, including the transfer of public health to local government. The recent Department of Health White Paper '*Caring for our future: reforming care and support*' and the related Care and Support Bill currently going through Parliament, which include legislative requirements for integration and co-operation in relation to adults, give further impetus to a set of developments that has widespread support across all sectors.
- 4.5 This makes it an opportune time to bring together the Council's public health, adults and children's social care functions, while retaining the important links between the latter and education, in an Education, Health and Social Care Department. This integration within the Council will provide a solid foundation on which to take forward the next stage of integration with health and other partners.
- 4.6 In making these proposals account has been taken of the Munro Review of Child Protection, which included a recommendation that no additional functions that are not related to children's services should be added to the responsibilities of the Director of Children's Services post. This reflects an important concern of the review that additional responsibilities might dilute the focus and attention paid to the most vulnerable children. In assessing how other local authorities have implemented similar structural changes – about a third of councils have done so – a number have taken a more radical approach than that proposed for this council, by creating a 'people' department that includes housing and cultural services.
- 4.7 The proposal for an Education, Social Care and Health Department has not taken this approach in order to minimise the risk identified in the Munro report of diluting the focus on potentially vulnerable children. It includes those functions that are directly relevant to and have a part to play in ensuring effective safeguarding and child protection arrangements, as well as offering benefits in relation to the wider care, education and integration agenda.
- 4.8 Other benefits from this proposal include:
- support for more effective transition planning and delivery as children move into adulthood
 - potential opportunities to integrate commissioning functions and activities across children's and adult services and with health, with more efficient use of resources and better outcomes

- 4.9 The proposed department would be headed up by a Strategic Director, with three Operational Directors for Education, Children's Social Care and Adults Social Services, and a fourth senior management post of Director of Public Health, who will also report (dotted line) to the Chief Executive, in line with the statutory requirements for this post. The statutory roles of Director of Children's Services and Director of Adult Social Services will be undertaken by either the Strategic Director or an Operational Director. Each of these roles is substantial and combining any of them runs the risk of creating an unmanageable portfolio. In addition, having each one undertaken by a senior manager should help ensure the organisation has the required skills, expertise and experience, as well as the required capacity. Good leadership and a strong performance management focus in each of these statutory areas will also support clear lines of accountability from the frontline through to the Strategic Director. In overall terms, the combination of these functions within one department should ensure the whole can be more than the sum of its parts.
- 4.10 **Regeneration and Major Projects Department** (*title still under review*)
This department is in the main a continuation of the Regeneration and Major Projects Department. Since its creation, the department has demonstrated the value in bringing together the set of strategic and delivery functions that make up its core. It will continue to lead in relation to regeneration, economic development, employment and housing. Regeneration continues to be an area that is central to the Council's community and corporate strategies. The continuation of the tough economic climate and its effects on the employment and living standards of local people make its importance even more significant.
- 4.11 The department will have a strengthened emphasis on employment and welfare, in part through the transfer into the department of the Brent Customer Services Unit from the Finance and Corporate Services Department. As a largely customer facing set of services, Brent Customer Services offers a better fit in this department than its current location. With the unprecedented challenges that welfare reforms present, and the joint working that is already underway between Housing and Brent Customer Services to manage these changes, there will be clear benefits from co-locating these functions.
- 4.12 There are a number of other significant service changes that in conjunction with this Council wide restructuring require a further structural reconfiguration within the department. These include the introduction of a new Employment and Enterprise function, the agreed transfer of BACES from the Children's & Families Department at the end of the academic year 2012/13, and the changes to the Housing Revenue Account arrangements which effectively require the Council to manage a new housing business with all the attendant risks.
- 4.13 These additional proposed structural changes include a reduction in the four Assistant Director posts currently in the Regeneration and Major Projects Department to three and substantial changes to the portfolios of the three new Operational Director posts. The new posts will include an Operational Director Property & Projects, an Operational Director, Planning & Regeneration and an Operational Director, Housing & Employment. The proposed functions within each portfolio (together with the respective heads of service roles) are as follows:

- Property & Projects – Facilities Management (client side), Strategic Property, School Capital Team, South Kilburn Programme Manager, Barham Park Project Manager (+ other project or programme managers as projects move into delivery phases)
 - Planning & Regeneration – Area Planning, Building Control, New Initiatives, Planning Policy, Design & Landscape. (The transport strategy function will transfer to the Environment and Neighbourhoods Department.)
 - Housing & Employment – Housing Needs, Private Housing, Employment & Enterprise, BACES, BHP (client side) / HRA Business Planning
- 4.14 In addition to these three Operational Director posts, an additional Operational Director post transfers into the Department. That is the current Assistant Director post that heads up Brent Customer Services and is transferring with the transfer of that service.
- 4.15 **Environment and Neighbourhoods** This department largely remains the same, with the exception of two functions that transfer to the department. Transport Strategy will move from Regeneration and Major Projects, bringing back together transport delivery and transport planning. The service had been split in 2010 and, given the small size of Transport Strategy, the disadvantages have outweighed the advantages. Bringing the service back together will ensure strategic development and operational delivery are aligned effectively, as well as creating efficiencies e.g. opportunities to share staff resources and expertise across functions. Community Safety will transfer from Strategy, Partnerships and Improvement. This important function has linkages with a range of services in the Department and locating them alongside those services will support the more effective development and delivery of their respective strategies and programmes. The name of the Department will change slightly to signal a focus on Neighbourhoods themselves not always related to services.
- 4.16 **Governance and Corporate Services Department** The proposed Governance and Corporate Services Department brings together most of the corporate support functions that are in the Finance and Corporate Services Department, with the Legal and Procurement Department. The posts of Director of Finance and Corporate Services, deputy Director of Finance and Corporate Services and Director of Legal and Procurement will therefore be deleted. The new department will include Legal, Procurement, Human Resources, IT, Business Support, Democratic Services, the Mayor's Office, the Registration and Nationality Service, Complaints and Freedom of Information. The title of Chief Information Officer has been changed to Operational Director, Information and Communication Technology (ICT). There will be minor adjustments to the job description to ensure a clear focus on ICT. It will also include responsibility for equalities. The statutory monitoring officer role will sit within this department.
- 4.17 Bringing all these support functions together streamlines the management and organisation of a large part of the corporate centre and at the same time creates

opportunities to develop more integrated approaches in a number of areas. For example, developing the council's equalities frameworks requires input from HR and legal, which is made easier through their location in one department.

- 4.18 **Finance** Currently part of the Finance and Corporate Services department, it is proposed to have finance as a standalone function, headed up by a new post of the Chief Finance Officer, who will be the section 151 officer, reporting directly to the Chief Executive. This direct link between the chief executive and the Chief Finance Officer reflects the very significant financial challenges facing the Council, the critical importance of effective strategic financial planning and management in tackling those challenges. It also indicates the priority these will have for the chief executive, the corporate management team and the Executive.
- 4.19 In the immediate term, the finance function will continue to include the three divisions - central finance, the finance service centre and the finance business partner teams but these will be subject to review at the next stage. There will be a post at operational director level of Operational Director, Finance who will also be the deputy 151 officer. This post replaces the post of deputy Director of Finance and Corporate Services with minor adjustments to the job description for greater responsibility for business partnership. However, the number of Assistant Directors that head up the departmental business partner teams is no longer sustainable on cost or operational grounds and less necessary given the move to the Civic Centre. It is therefore proposed to delete the four Assistant Director posts and replace these with one post. A wider review of finance functions will take place as part of the consideration of the requirement for further savings from corporate functions. Audit and Investigations will also sit within this area and the Head of Service will have a dual reporting line with a solid line to the Chief Finance Officer and a dotted line report to the Chief Executive.
- 4.20 **Assistant Chief Executive's portfolio** This role will be key in strengthening the Council's strategic capacity and its ability not only to better meet the substantial changes Brent is facing over the next few years but also to see and create opportunities that will benefit local people. At both strategic and operational levels, it will drive radical thinking about the changing role of the Council and support consequential activity. The post will also ensure we have a stronger process for corporate planning, reviews and evaluation and for performance management across the Council.
- 4.21 This report proposes a refocusing of the roles undertaken by the corporate management team, with a much greater emphasis on their role as strategic and cooperative leaders within the organisation, across the borough in localities as well as active engagement and at sub-regional and national levels. This in turn requires rethinking the way corporate functions that provide support to the political leadership of the Council, the chief executive and corporate management team are organised and focused, particularly when at the same time they must deliver further savings. Currently much of this support - including that in relation to the One Council Programme, corporate policy, corporate performance management and partnership working - is provided through the Strategy, Partnerships and Improvement Department, managed by the Director and two Assistant Directors, with the Director providing the link between CMT and the service. This level of senior management

resource was necessary at a point where the organisation lacked the experience, skills and capacity to deliver a major change programme. As well as delivering significant change and substantial savings, the programme has also created the skills and capacity that ensure the programme is sustainable and can continue to deliver successful change.

- 4.22 The case for streamlining the council's departmental and management structures, as well as the corporate management team is set out above, including the fact that the organisation is now much better equipped to continue the One Council Programme. Given these considerations, it is proposed to delete the director post and two assistant director posts. There is, of course, a continuing requirement for support to the Council in these areas and, in particular, to the Leadership of the council, the chief executive, corporate management team and Executive.
- 4.23 The Assistant Chief Executive post, will therefore have responsibility for the lead on policy and strategy, performance, the One Council Programme, co-operative and partnership working and, transferring from the Customer and Community Engagement Department, community engagement service as well as the communications function. The latter change will allow for more effective coordination of internal and external communications with the corporate policy, partnerships and change programmes. The Assistant Chief Executive will be supported by a number of key heads of service posts.
- 4.24 In broad terms, the Assistant Chief Executive will focus on providing support to the Council, through:
- horizon scanning and building the council's capacity to think and act innovatively and creatively
 - the development of a shared policy agenda that includes cross-cutting issues, supported by delivery plans for co-ordinating policy responses to those issues across services
 - the development of a strong performance management at all levels of the Council's work
 - the development of the Council's co-operative leadership and its engagement with local people and local groups
 - driving continuous improvement of services
 - sustaining the programme of organisational change
 - ensuring high quality external and internal communication.

Refocusing the corporate management team, directors, assistant directors and heads of service

- 4.25 All the Director posts in the new structure that sit on CMT will be retitled as Strategic Directors. This reflects a renewed emphasis and expectation of their role as strategic leaders both within the organisation and across the borough. A key part of their role will be to ensure local people are informed and sufficiently engaged to play an active role in shaping both services and, indeed, the future development of the borough. This will entail thinking and doing things differently. It will require them to work in close collaboration with other public sector partners, with the voluntary and

community sector and with local business. Strategic Directors will operate outside the council as much as they do inside and will develop a far higher profile with the local community.

- 4.26 Within the Council, strategic directors will be expected to model good corporate behaviour and lead organisational development. This will be reflected in a portfolio of responsibilities that requires them to lead cross-council initiatives, projects and programmes such as the One-Council programme.
- 4.27 Strategic directors will play a key role in partnership development and delivery both for their specific departmental functions but more generally too. They will, for example, give active support to one of the five Area Consultative Forums and in so doing give additional weight and council commitment to their work and development.
- 4.28 This shift in emphasis for Directors will lead to an even higher profile for Assistant Directors on their core responsibilities, including operational planning, implementation and evaluation. To reflect this change of focus most Assistant Directors will be retitled Operational Directors. It is recognised that the span, size and complexity of the Operational Director posts will vary therefore there will be two pay levels to reflect this. This does not of course mean that they will play no role in the strategic leadership of the organisation or contribute to corporate change programmes.
- 4.29 ***The Corporate Management Team*** The corporate management team will consist of the chief executive and the four strategic directors, bringing it more into line with the size of corporate management teams across London local authorities. At the same time, the chief executive will chair a regular meeting of the Council's senior managers to ensure clear and shared direction and a common approach.
- 4.30 In line with the emphasis on leadership and a strategic focus for strategic directors, the work of the corporate management team will have a strong emphasis on the strategic challenges facing the council and on developing a more innovative approach to thinking and doing things differently. To support this emphasis, the way the business of CMT is managed and communicated to the organisation will be reviewed.

Senior management pay

- 4.31 The changes to structures will include changes in senior management pay (appendix 2) aimed at keeping the costs of the new structure down, ensuring the Council's pay arrangements remain competitive and, at the same time, ensuring the pay structure aligns with the new Strategic and Operational Director roles. The main change is to reduce the maximum pay level for the chief executive from approximately £195,000 to £185,000. This is in line with the market rate for chief executives and will see an improved pay ratio when comparing the pay ratios between the top earning officer and the median pay in the council (£185,000 to £35,000 which is a pay ratio of just over 1:5) and the lowest paid employee and the top earning officer (£16,290 and £185,000 which is a pay ratio of about 1:11).

- 4.32 The current Assistant Director Hay 3 scale will be extended by one spinal point from £108,000 to £118,000. The intention is that a bar will be placed at the current maximum of the grade. Placement on the new spinal point will be strictly limited and based on criteria such as undertaking a statutory role or where a core part of the role involves giving strategic advice and support direct to the Chief Executive, Leader and Executive. Decisions to place any post on this scale will be made by the chief executive, in line with these criteria. The majority of Operational Directors will continue with the current spinal point range with no automatic progression to the top of the range.
- 4.33 In order to maintain the differential between the management tiers it is proposed to raise the starting point for the Hay 2 Director grade, with the suggested new range running from £124,000 to £140,000, compared to the current range of £118,000 to £140,000. There is no change to the top of this pay scale and there are no additional costs resulting from this change as all the current Directors are above the starting point for the scale.
- 4.34 These changes will not address the issue that many local authorities are experiencing in recruiting to the statutory role of the Director of Children's Services. Officers are developing proposals for tackling this and other areas experiencing recruitment difficulties and a report will be presented to the General Purposes Committee in April 2013.

5. IMPLEMENTATION AND TIMETABLE

- 5.1 Implementation is governed by the Council's Managing Change Policy. This requires consultation with affected staff for a 30 day period. This will commence on 2 April 2013 for Director and Assistant Director level posts and conclude on 27 April. The outcome of the consultation process will be confirmed by mid May.
- 5.2 Those staff with a direct match will be assimilated into posts in the new structure. Other posts will be advertised internally and where there is significant change, externally in late May. Where vacancies exist in the current structure and the posts are considered business critical, the recruitment process may commence earlier and in advance of the consultation process being concluded. Applications for voluntary redundancy will be considered during the consultation process and considered on a case by case basis which is in line with existing practice.
- 5.3 It is the intention for the new structure to go live on 1 September 2013 with transfers of staff taking place from May onwards.

Summary implementation timetable

Task	Date
Restructuring proposals agreed by General Purposes Committee	28 March 2013

Start of 30 (calendar) day consultation – report circulated to affected staff and the senior manager group Letter to trade unions	2 April
Meetings with affected staff	week commencing 2 April
Consultation ends	1 May
Consider feedback and amend proposals as necessary	3 - 8 May
Publish final proposals	10 May
Direct assimilations completed	1 June
Appointment process to posts in the new structure commence	June-September 2013
Structure fully effective from	1 September

6. FINANCIAL IMPLICATIONS

- 6.1 These proposals will also have an impact on other parts of the Council's structure, including Heads of Service and business support and these will affect the overall levels of savings achieved. The total savings will generate a net saving of approximately £2.9 million in a full financial year.
- 6.2 There may be redundancy and associated costs deriving from the loss of posts where they are currently filled unless alternative employment can be found for the current post holders. The actual level of these costs will be dependent on the individual circumstances of those post holders not selected as part of the process.
- 6.3 It is anticipated that the Council will need to make provision for these costs within the 2012/13 accounts and that these will ultimately need to be a first call on the savings achieved in 2013/14.

7. LEGAL IMPLICATIONS

- 7.1 The proposed structure ensures compliance with various legislative requirements in respect of the creation of the statutory posts that the Council is obliged to maintain. Outside of the relatively small number of statutory posts, the Council has a wide discretion to create a senior management structure to reflect the current needs of the organisation.
- 7.2 The proposed changes will require management through the application of the Council's Managing Change Policy and procedures. The actions and timescales set

out in this report adequately address the provisions of the Managing Change Policy and represent a fair and reasonable process.

8. EQUALITIES IMPLICATIONS

- 8.1 As part of the restructuring proposals 27 posts are affected (x3 posts are currently vacant or staffed with an interim arrangement, so 24 staff are affected). This represents a very small proportion of the Council workforce as a whole, however an initial analysis of the profile of those affected compared to the Council's overall equalities profile indicates that:
- The majority of those affected are male (62.5%) whereas the majority of the workforce overall are female (64.9%). Males are disproportionately affected by the proposals when compared to the gender profile of the Council as a whole.
 - The majority of those affected are aged between 50-59 (63%). There is a disproportionate affect on this age range when compared to the overall age profile of the Council. The percentage of those affected aged 60-69 is largely in line with the organisational profile, although there is a slight disproportionate affect on this age group. No staff affected are aged between 17-39, or 70 and over (which account for 35% of the Council overall).
 - 50% of those affected are White British. This represents a disproportionate affect on this group compared to the percentage Council-wide.
 - The religion profile of those affected shows no adverse affect. However, given that religion is 'unknown' for 100% of those affected meaningful comparison is very difficult.
 - The disability profile of those affected shows no significant difference from the organisational profile. None of the staff affected have a declared disability.
 - It is also not possible to analyse the other protected characteristics of sexual orientation, gender re-assignment, marriage, or pregnancy and maternity due to lack of available data.
- 8.2 Given that in recent Local Government workforce surveys only 4% of the top earners are from BAME groups (*LGA, 2013*), and the majority are male ((57%) *LGA, 2013*), it is unsurprising that proposals affecting only senior management roles in the Council with have a disproportionate affect on these groups.
- 8.3 A full predictive and retrospective Equality Assessment will be undertaken in consultation with the corporate Equality and Diversity Team to ensure that adverse affects on vulnerable groups are mitigated wherever possible. A meaningful Equality Assessment is also currently compromised by lack of available data for a number of protected characteristics. Given that People and Development are due to complete a project shortly that should significantly increase the equalities data available for staff, it is felt that undertaking the Assessment once this data is available will be beneficial.

Background Papers

'Rising to the challenges: re-shaping Brent Council to deliver the new Administration's priorities' Brent Council report 2010.

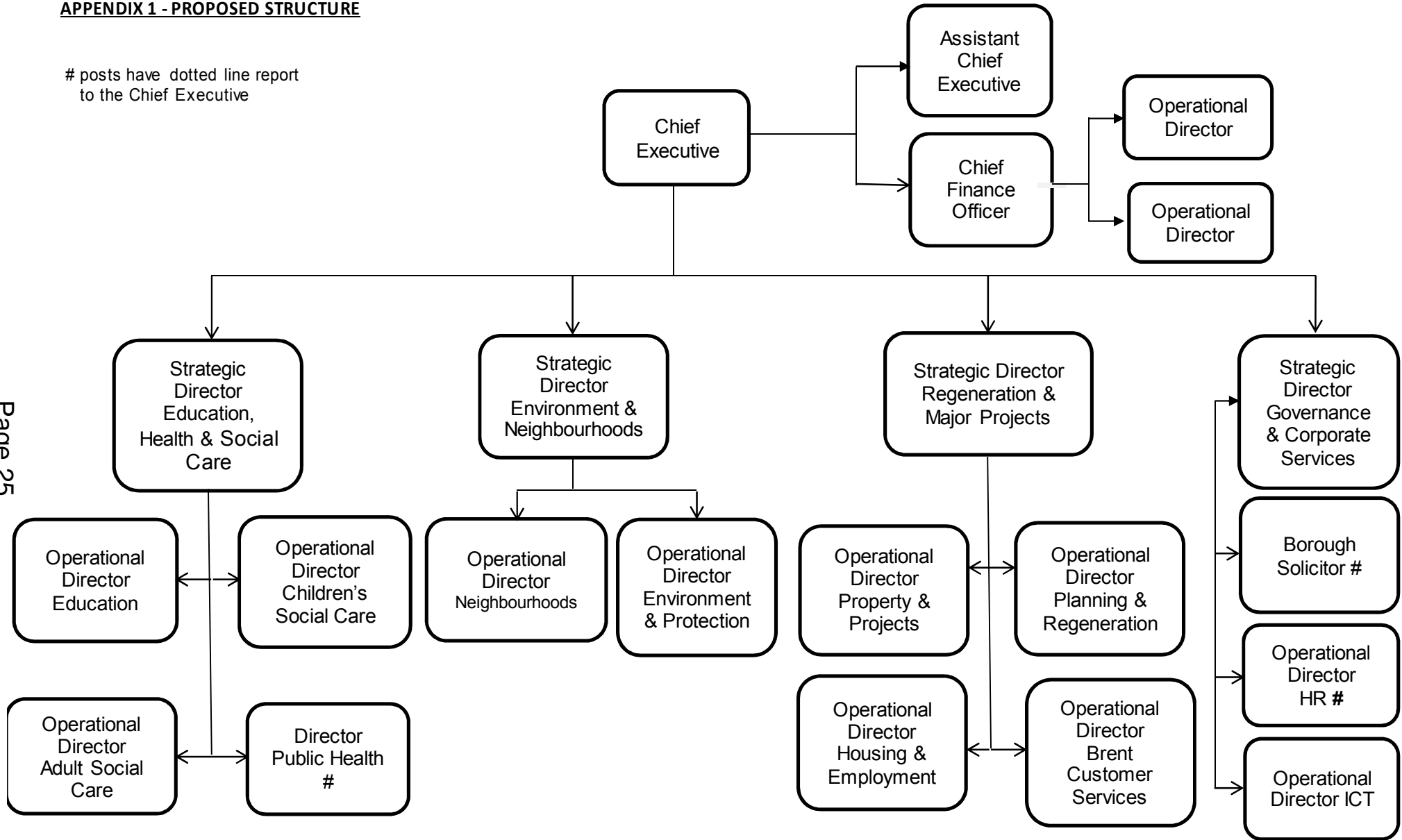
'Local Government Workforce Survey 2011-12' Local Government Association March 2013 (published online www.local.gov.uk/web/guest/research-pay-and-workforce).

Contact Officers

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APPENDIX 1 - PROPOSED STRUCTURE

posts have dotted line report to the Chief Executive



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Appendix 2 to this report is not for publication

Appendix 2 to this report is not for publication as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to any individual" and "Information which is likely to reveal the identity of an individual".


Attached as a separate document

APPENDIX 3

DRAFT PROPOSALS FOR NEW
SENIOR MANAGERS SALARIES

	Grade	Spine Pt	Current Salary	Proposed Salary	Grade range £
HOS 1	HAY 6	54	52422	52422	
	HAY 6	55	54042	54042	
	HAY 6	56	55662	55662	
	HAY 6	57	57285	57285	
	HAY 6	58	58908	58908	
HOS 2	HAY 5	59	59445	59445	
	HAY 5	60	62013	62013	
	HAY 5	61	64581	64581	
	HAY 5	62	67146	67146	
	HAY 5	63	69714	69714	
HOS 3	HAY 4	64	70254	70254	
	HAY 4	65	74307	74307	
	HAY 4	66	78360	78360	
	HAY 4	67	82413	82413	
	HAY 4	68	86466	86466	
Operational Director	HAY 3	69	91869	91869	
	HAY 3	70	95925	95925	
	HAY 3	71	99978	99978	
	HAY 3	72	104028	104028	
	HAY 3	73	108084	108084	BAR
	HAY 3	74		118200	*
Strategic Director	HAY 2	75	118893	124296	
	HAY 2	76	124296	124296	
	HAY 2	77	129699	129699	
	HAY 2	78	135105	135105	
	HAY 2	79	140508	140508	
CHIEF EXEC	HAY 1	80	172935	170778	
	HAY 1	81	178338	178338	
	HAY 1	82	183741	185192	
	HAY 1	83	189197		
	HAY 1	84	194550		

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	<p style="text-align: center;">General Purposes Committee 28 March 2013</p> <p style="text-align: center;">Report from the Director of Legal and Procurement</p>
<p style="text-align: center;">Wards affected: ALL</p>	
<p>One Council Project: Realigning Corporate and Business Support</p>	

1.0 SUMMARY

1.1 The Realigning Corporate and Business Support project has two strands, the first relating to administrative or business support functions, the second relating to specialist or professional support functions e.g. finance, legal, human resources and policy.

1.2 The objectives for the project include:

- creating fully integrated, flexible structural and operational arrangements for corporate, back office and support functions that meet business requirements
- streamlining and standardising relevant policies, procedures and processes for those functions (in part delivered through the implementation of new systems)
- maximising the organisational and operational benefits from the new Civic Centre
- achieving savings

1.3 In relation to business support this involves putting in place a fundamentally different model for the way business support is organised, managed and delivered, which is described below. The structures and staffing will be in place by the end of March, with work on the operational framework completed by the end of June 2013.

1.4 The changes to professional support, including Human Resources, IT, Legal and policy and performance are more incremental and continue the move towards integrated professional support functions developed through the Structure and Staffing project. These will be completed by the end of March 2013.

- 1.5 The implementation of the structures and staffing for the new business support service followed the council's Managing Organisational Change Policy. This included formal staff and trade union consultation, the offer of voluntary redundancy, ring-fencing and selection of affected staff into posts in the new service and consideration of redeployment for those staff that were unsuccessful. (Redeployment aims to match affected staff against other suitable vacant posts across the council, and where successful, reduces the number of compulsory redundancies.)
- 1.6 Overall savings from this project will be £1.835 million in 2013/14, with full year savings of £2.085 million from 2014/15. The savings from both parts of the project are achieved largely through reductions in posts across all these services of forty five. The bulk of these – thirty four – are business support posts. This will result in thirty seven redundancies – twenty-two of which are voluntary redundancies and fifteen of which are compulsory redundancies.

2.0 RECOMMENDATIONS

- 2.1 The General Purposes Committee is asked to:
- a). consider this report and agree the thirty seven redundancies that result from the reorganisation and reduction of the council's business support and corporate services staffing levels
 - b). note that of the thirty seven redundancies, twenty two are voluntary redundancies and fifteen are compulsory redundancies

3.0 DETAIL

Developing the Model for Integrated Business Support

- 3.1 The reconfiguration of business support is driven by the move to the new Civic Centre and the opportunity this creates to rethink the organisation of currently dispersed business support resources, as well as the requirement to achieve savings.
- 3.2 Integration has an additional and significant set of benefits. Administrative support activities and staff have tended to be underdeveloped, under managed and under utilised as a result of their location within the professional services and their dispersal across many different functions. In general terms, the formation of a distinct and clearly defined function, with the management capacity and focus to lead and develop it as a service in its own right creates

the conditions for continuing development and improvement, in ways that would not be possible through the dispersed arrangements currently in place.

3.3 More specifically, these benefits include:

- a more efficient use of resources – the support that currently exists in teams and units is variable in ways that do not necessarily reflect differences in their requirement for support. Greater clarity about business requirements will ensure resources are used where they are needed, at the right time and in the right way.
- greater flexibility in using administrative staff – this will allow better management of peaks in work, as well as cover arrangements for holidays and absences, with the potential to reduce the use of agency workers
- improved and standardised processes and systems, ensuring greater consistency – as well as the inefficiencies that result from unnecessary variation in processes and systems, too many administrative processes are cumbersome, time consuming and wasteful e.g. the collection and reporting of information for absence management and monitoring.
- greater resilience and reduced risk of ‘single point of failure’ - across the organisation there are a number of examples of services where the knowledge and experience of a process or system rests with one or two individuals, which creates significant risks in an ‘under the bus’ scenario
- opportunities for staff to widen their knowledge and experience – flexibility will give staff a wider involvement in both the range of administrative activities and of the services supported. The model will include standardised job roles, describing the required flexibility, underpinned by a set of job competencies supported by suitable training and development

3.4 ***The Model for Business Support - An Integrated and Flexible Service***

The proposed structure (appendix 1) reflects the lessons from other organisations that have implemented a similar approach to business support and a number of important additional considerations:

- the need for sufficient management capacity, given the size and nature of the function
- the council’s organisational design principles in relation to management spans of control
- creating opportunities for career progression
- ensuring maximum and long term flexibility

3.5 The total number of posts proposed for the new service is one hundred and forty three, organised in five teams of administrative support, five teams of Executive Assistants providing support to Directors, Assistant Directors and on a more limited basis Heads of Service and the Chief Executive’s Office.

- 3.6 The overall reduction in posts from the current staffing levels in these areas is thirty four, including twenty administrative posts, eleven business support management posts and three PA posts. The savings from these reductions are approximately £1 million in a full year.

Changes to Corporate Services

- 3.7 **HR Proposals** HR has identified savings of £135,000, which come from staffing – the deletion of a principal officer post in job evaluation - and non-staffing budgets, including the training centre and learning and development budgets. In addition reviews of the learning and development and payroll functions should identify further savings.
- 3.8 **Information Technology Unit (ITU)** ITU is identifying £500,000 of savings through:
- a merger of ITU first tier service desk (call desk) support with the 2nd and 3rd line support group, as well as moving to self service for the desk
 - merge the customer liaison function with the programme office, which have overlapping responsibilities
 - review the application support and reduce headcount as a result
 - information management will be reviewed as their two main projects, Infostore and scanning, start to wind down later this year.
- 3.9 **Strategy, Partnerships and Improvement Proposals** The proposals focus on the policy, performance management and service planning functions, restructuring these to achieve a reduction of eight posts. All these posts are vacant and there have therefore been no redundancies. The proposals result in a total revenue saving of £450,000.

4.0 Financial Implications

- 4.1 The changes in business support result in a full year saving of £1m from 2014/15. However, the need to retain staff in advance of the move to the Civic Centre means that a three quarter year saving has been taken for 2013/14, amounting to £750k.
- 4.2 Full year savings of £1.085m per annum from 2013/14 have been identified in specialist support functions, as follows:
- £500k in IT;
 - £450k in Strategy Partnerships and Improvement; and
 - £135k in People and Development.
- 4.3 Total savings of £1.835m in 2013/14 and £2.085m per annum from 2014/15 have been included in the 2013/14 budget agreed by Full Council on 25th February.

4.4 One-off redundancy/early retirement costs are estimated at £519k. These will be met from the council's central provision for redundancy costs.

5.0 Legal Implications

5.1 The changes have been implemented in line with the council's Managing Organisational Change Policy and as such has dealt with the main legal risk in managing the downsizing. The provision of a voluntary redundancy process and the methods of selection used in appointing to posts in the new structure have been undertaken in line with the agreed Council policy framework. While this does not preclude former employees from pursuing litigation against the council in relation to the ending of their employment, this policy framework has proved successful in past exercises in managing change and reducing the inherent risk involved.

5.2 The diversity Implications raise some potential issues of indirect discrimination but the risk arising out of those issues have been appropriately dealt with by the proper operation of the Managing Organisational Change Policy to ensure objective decision making and continuing to monitor the diversity implications to ensure that any potential indirect anomaly continues to be objectively justified by the strong business case for the rationalisation of business support.

6.0 Equality Implications

6.1 An initial profile and analysis of the staff in scope for the business support function indicates that:

- The vast majority of those staff affected in the review are female (87%). This is also significantly higher than the gender profile for the Council overall (23% higher).
- The age range of the staff affected is fairly evenly spread throughout the bands. There are a small number of young staff (20-29) affected and a slightly disproportionate effect on those aged 50-59 compared to the organisational profile (2.9% higher).
- In relation to ethnicity, 32 (18.9%) of those affected by the workstream are of Asian Indian ethnicity. This is 7% higher than the organisational profile indicating a slightly disproportionate impact on this group. 15 (8.9%) of those affected by the workstream are of Asian British ethnicity. This is 4% higher than the organisational profile, indicating a slightly disproportionate impact on this group.
- The religion profile of those in scope for the business support workstream shows no significant difference from the organisational profile. However

the religion of a very high percentage of those in scope and the council overall is unknown or undeclared (85%) and therefore meaningful analysis is compromised.

- Meaningful analysis of sexual orientation of staff is compromised by the higher percentage of staff for which this is 'unknown' or 'not given' (average of 90% for staff at risk and council-wide)
- Half the staff affected are residents of Brent. A larger proportion of staff at risk are Brent residents compared to the organisational profile (13.9% higher).

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 The new model for business support has significant staffing implications, which are described in this report. The service will become operational as it moves into the new Civic Centre, alongside the services it will be supporting. Discussions are underway with the Move to the Civic Centre team concerning its accommodation in the Civic Centre.

Background Papers

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