

## **Summary of Structure and Staffing Review**

The following is a summarised version of the business case for this Gold Project set out in the Improvement and Efficiency Strategy. It outlines the rationale for the project, what service improvements and efficiencies it will deliver and how it will deliver these.

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### **Rationale and Context**

As a key part of delivering the Improvement and Efficiency Strategy, the Council commissioned PriceWaterhouseCoopers in summer 2009 to examine an approach to staffing and organisational structures that would help us to address the wide ranging challenges that we face as an organisation. These include the current economic recession and increasing demand for services against a backdrop of diminishing resources and a need to deliver services more efficiently and effectively.

The work focussed largely on internal Brent processes. This was benchmarked against best practice authorities. Findings showed:

- The Council needs to decide upon an 'evidence' and 'needs'-based staffing 'establishment' and be able to set a rational control on growth
- The Council should agree a set of organisational design principles which suits our future needs
- There is an opportunity to streamline management structures and remove narrow spans of control (the small ratios of managers to staff) and multiple layers of management
- There are significant opportunities for process efficiencies. This is due to the relatively small proportion of Full Time Equivalent posts (FTE) resources engaged in 'front line' service delivery (29%) compared with over 70% FTE resources engaged in enabling front line delivery and other back office functions

There is also an opportunity to remove duplication and waste where FTEs across multiple teams in the council are allocated to back office functions such as commissioning, procurement and managing contracts, strategy, policy and research. Driving efficiency through these core processes will deliver substantial benefits both financially and to the customer. These core process changes need to simplify, standardise and potentially share these functions more effectively.

### **Aims, Outcomes and Impact**

The Structure and Staffing Review Gold project aims to ensure that the organisational structure of the council (in relation to staffing), meets and reflects the council's future needs more effectively, building on the recommendations of the recent PricewaterhouseCooper Structure and Staffing Review. This project will be supported by Human Resources, the Policy and Regeneration Unit and other units and will impact on many if not all of the projects in the wider Improvement and Efficiency transformation programme.

Key issues to be addressed by this project include:

- Reducing the workforce by a minimum of 10% over 4 years
- Reducing the layers of staffing and broadening the ratio of staff to managers
- In-depth reviews of departmental structures and staffing
- Monitoring/encouraging other Gold, Silver and Bronze projects to contribute to this work
- Ensuring downsizing is done in an intelligent, rational and creative way with minimal impact on frontline jobs and services, but
- Ensuring that both front line and support services are properly scrutinized

The key outcome to be achieved from this project is to transform Brent's Organisational Design, to address the current silo structures and ways of working, and develop a clearer and more integrated One Council structure that meets the needs of Brent's residents more effectively.

This will be achieved through the articulation of a clear, agreed and funded Establishment which will allow for a more strategic approach to staffing rather than allowing ad hoc growth of the organisation in a way that is financially unsustainable, inefficient and difficult to monitor.

#### Service Improvements and delivery timescales

The tangible service improvements that will be delivered by this project are:

- Reducing the workforce by a minimum of 10% over 4 years from 3100 FTEs to 2800 FTEs
- Reducing the layers of staffing and broadening the spans of control from 1:3 to 1:6
- Realign service delivery and back office FTE ration from 29:71 to 50:50. (We will ensure that downsizing is done in an intelligent, rational and creative way with minimal impact on frontline jobs and services whilst avoiding the 'cult of the frontline' error which means only support services get properly scrutinized)

Non cashable benefits delivered by the successful conclusion of this project will be:

- Cultural – One Council ethos embedded throughout organisation / improved performance
- A clearer and flatter organisational structure with more consistent layers of management and clearly demarcated management responsibilities
- Stronger corporate support functions to enable professionals to focus on their professional role (in line with the Business Support Review)
- Increased organisational capacity to prioritise roles and services and flexibly deploy staffing resources and reduce duplication of functions
- Increased flexibility to allocate resources to multi-agency work
- Organisational ability to anticipate and adapt to future shifts in policy and service demand
- Reduced and avoided costs from ad hoc recruitment which currently cannot be monitored

The project will start in December 2010 and the tangible benefits of this project will be realised by March 2014

#### Delivering Efficiency Savings

Our expectation is that the majority of savings will come through other Gold, Silver and Bronze projects. Therefore, activities associated with the Structure and Staffing Review project will derive a minimum of £5million in savings but with the aim of securing substantially larger savings over time. Many of these savings will, however, be captured under other projects. The £5million minimum includes savings from all Gold projects and some Silver and Bronze projects, including 'Assessing Brent Customers', 'Brent Business Support' and 'Excellent Procurement', each of which are projects in their own right and are recording these savings separately. In the same way, savings from Spans of Control will be distributed between the difference service area's Gold projects e.g. 'Adult Social Care Transformation', 'Children's Services Transformation' and the 'Waste and Recycling Review', as well as other service reviews.

Similarly, the target of a workforce reduction of 300 FTE, set out by the PWC recommendations, includes FTE efficiencies that will be made through other projects, and as such, will be included in the outputs from this project.

#### Considered Option

The current working intention is to opt for a 10% reduction in workforce to be carried out in an intelligent and planned way.

#### Scope

The project will cover:

- Reducing the workforce by a minimum of 10% over 4 years
- Reducing the layers of staffing and broadening the spans of control
- In depth reviews of departmental structures and staffing
- Monitoring other Gold, Silver and Bronze projects and evaluating their recommendations to ensure compliance with the organisational design principles set out by this project.
- Ensure downsizing is done in an intelligent, rational and creative way with minimal impact on frontline jobs and services
- Ensuring that both frontline and back office enabling services are effectively scrutinised

The project will not cover:

- Reward, remuneration and performance issues
- Whilst the Business Support Function is part of the Organisational Design set out by this project, setting up this function will be in the remit of the Business Support function Gold project
- Reshaping customer contact, which will feed into this project as part of Organisational design but not be developed by this project.

This project will not cut across the Terms of Reference of other Improvement and Efficiency Projects. However, it will need to have a monitoring and progress chasing role to ensure that they are consistent with the agreed staffing and structure model and organisation design principles established by this project.

## Delivery

The actions required to deliver this project are:

- Development and clear articulation of an organisational design model and design principles.
- Introduction of budgeted staffing establishment with appropriate control measures
- A service by service review of Staffing and Structures using this model.
- Consolidating the project plans of other projects where staffing reviews are planned, to ensure that timescales are appropriate and aligned. This will ensure that there is no duplication of reviews that Staffing and Structure Review principles are built into planned activities and that disruption to Council services, staff and performance is minimised. Once project timescales for other projects are known, a project plan reflecting this will be developed