



Cabinet
15 December 2014

Report from the Chief Executive

For Action

Wards affected:
ALL

Restructuring of the senior management of the council

1 SUMMARY

- 1.1 The past four years have seen some of the most challenging financial conditions ever faced by local government. In common with other councils, Brent has had to make very substantial savings - £80 million over this period – involving difficult decisions and requiring rapid implementation of change.
- 1.2 In doing so, the council has focused on achieving efficiencies in administrative and back office services, as well as significant restructuring and downsizing across all management tiers, including the Corporate Management Team and senior management teams. Nevertheless, substantial savings have also had to come from reducing or closing some local services.
- 1.3 It is clear that the pressure on public finances will continue well beyond the lifetime of this parliament. The overall funding position for local government and the public sector over the next four years will become even more severe, with the period to 2016/17 already presenting as financially challenging. The pace and scale of savings required in Brent are forecast to accelerate sharply over the next four years with the council's budget reducing by between a third and a half.
- 1.4 In this environment, we must continuously reassess the way the council is organised in order to reduce costs even further, as well as ensure we are equipped to steer a course through this storm of change, rather than being buffeted by it. This report outlines proposals for a further restructuring with two aims:
- refocusing the Council's senior management and corporate centre to meet the substantial challenges the organisation must manage over the next period and inevitable reduction in staffing;
 - further streamlining to deliver a £1.4 million saving in senior management costs.

These proposals have been agreed by the General Purposes Committee, subject to consultation with staff, and approval is now required by Cabinet to delete, create or amend the posts. As staff consultation does not end until 5 December, 2014, any proposed changes relating to the recommendations in this report will be reported orally at the meeting. Job descriptions and person specifications for the relevant post will follow later.

2 RECOMMENDATIONS

2.1 For Cabinet to agree, subject to staff consultation, the deletion of the following senior officer posts:

- Strategic Director, Environment and Neighbourhoods
- Operational Director, Neighbourhoods (Vacant)
- Operational Director, Environment and Protection
- Assistant Chief Executive
- Director of Legal and Procurement
- Operational Director, Finance
- Operational Director, ICT
- Operational Director, Brent Customer Services

2.2 For Cabinet to agree, subject to staff consultation, the creation of the following posts:

- Chief Operating Officer (at Strategic Director level)
- Operational Director, Strategic Commissioning
- Operational Director, Community Services
- Chief Legal Officer (and Monitoring Officer)

2.3 For Cabinet to agree that the post of Chief Operating Officer be appointed on a one year fixed term basis, in the first instance.

2.4 For Cabinet to authorise the 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 A COMMUNITY FOCUSED APPROACH

3.1 The scale of the continuing reduction in local government funding cannot be managed solely through further streamlining of staffing, tightening of access or eligibility to services, or reductions in volumes of service, which may be of reduced quality. This scenario of 'managed decline' offers nothing positive for our communities, residents or staff, nor does it recognise the substantial changes in our residents' expectations of the way they interact with and use public services.

3.2 Both these factors – the negative one of funding pressures and the positive factor of changing customer and community expectations – mean we cannot carry on operating with the same conceptual and operational models, but more importantly, this conjunction of factors points to a different approach to managing through this turbulent period. This starts from the changing expectations of our service users and residents, and the opportunities this presents to rethink the way we develop, commission and deliver services.

- 3.3 At the heart of this different approach is the well-recognised shift away from service users and residents as passive recipients of services delivered to provider requirements, to more active users with control of what they receive, as well as when, where and how they receive it. This move to the 'active user' is developing in different ways across the public sector, whether in the social and health care sectors as personalisation or the self-care undertaken by those with chronic health conditions, or on-line self-service for residents of a wide range of public realm services, to the new and evolving notion of co-production. Even in the delivery of universal services, whether in-house or outsourced, residents are playing a more active and indeed essential role, for example, in the co-production required for waste recycling.
- 3.4 For service users and residents, the shift is driven by the benefits it brings them, whether this is greater control in meeting their needs, greater convenience, flexibility and responsiveness in using services, or opportunities to meet community and social responsibilities. For the council, the shift is determined by user and resident expectations and the substantial operational and cost benefits. As an example, the estimated costs for on-line contact are significantly lower than face to face or phone contact and this is the basis for our changing approach to customer access.
- 3.5 This creates a set of opportunities that the council must vigorously pursue. At its most far-reaching, the reframing of the provider/user relationship would include different approaches to the ownership and running of services, developed in collaboration with local people and our partners. It would be based on a better understanding of not just the needs in our communities and borough, but also the assets within those communities and how these can be combined with public sector assets to create additional benefits.
- 3.6 While we have made progress in pursuing elements of this community focused approach in a number of areas, it has been piecemeal and is neither broad enough nor moving at the necessary pace. As a consequence, we have not realised the extent of efficiencies, cost savings and service improvements that are achievable. We must be much more ambitious across the whole of the council, with a coherent, cross-council approach that can deliver much faster, comprehensive change with radically different approaches to the way we think about, design, purchase and deliver services.

3.7 **Key features of a community focused approach**

This community focused approach has a number of key features and requirements:

- a much deeper understanding of our service user and residents' needs and behaviours that informs what services need to be provided and, more importantly, translates this into outcome focused approaches
- making best use of the council's ability to influence and shape not only services that it does not directly provide or pay for but also the market, even when the obligation to meet citizens' needs lies outside of the council's direct control
- effective demand management involving an active, intelligent approach to preventing, eliminating and reducing demand, allied to a shift to the most cost-effective channels

- developing alternative ways of meeting demand where individuals and communities are equipped to produce their own solutions
- integrated approaches whether around individuals, care pathways or user groups, bringing together all public sector services to facilitate a more personalised and coherent sets of services
- new ways of organising and working, using digital technologies to improve access and service, staff productivity and use of information
- a mixed economy of provision, determined by the solutions that best meet the needs and interests of local people

3.8 The methodology for developing community focused approaches

3.8.1 The public sector has been grappling with these issues for well over a decade and while there is no single, uniform approach, there is a growing body of tools and techniques under the umbrella of strategic commissioning that provides ways of developing more community focused solutions.

3.8.2 Strategic commissioning is often conflated with procurement or contract management. While they do have important linkages, they are distinct sets of activities. In brief, the former is focused on 'big picture' considerations relating to understanding needs, defining outcomes, designing solutions and evaluating impact, while procurement (or purchasing) is focused on delivery of the required solutions and their management. Crucially, in reviewing and evaluating services as part of this approach, the emphasis is on seeing things from a citizen or user perspective as well as a professional one.

3.8.3 Strategic commissioning should enable the best use of all available resources to produce the best outcomes for people in Brent. It involves a set of cyclical and iterative activities that, in summary, include:

- identifying needs and trends
- understanding current provision and its match to needs
- engaging with communities, users, residents and markets
- determining priorities and outcomes
- defining appropriate models and solutions, to achieving required outcomes
- making decisions on allocation of resources
- assessing and evaluating delivery and outcomes (in part, through continuing engagement with communities, users and residents).

4 CREATING THE CAPACITY

4.1 The proposed restructuring of departments and the corporate centre aims to put in place the necessary capacity and structures to strengthen our strategic commissioning and community focus, so that we can develop and deliver the comprehensive change programme that is necessary over the next few years. In broad terms, it would include further streamlining of departments, as well as corporate services. This involves reducing the number of senior managerial layers across the council with an increased emphasis on the importance of heads of service as key agents of change as well as lead officers for delivery. The changes, which

have been approved by the General Purposes Committee, are summarised below and shown in the structure charts at Appendices 2 and 3 (Appendix 1 sets out the current structure).

This structure is less rooted in traditional departments and should have the flexibility to manage the various changes, both known and unknown, that will occur over the next few years.

4.2 Summary of changes in departments

4.2.1 Adults

As indicated in a previous report (November, 2013) to General Purposes Committee, this Department has a narrower, more discrete focus than others in the council. However, legislative change in this area is likely to have huge ramifications over the next few years and as the role and costs of adult social care, and our relations with health, are central to the lives of local people, no major change to the department is proposed. Nevertheless, this report proposes moving Adults commissioning to a new central unit. It also proposes streamlining the senior management of the Department by the reduction of one head of service post by April 2015.

The post of Strategic Director, Adults, continues to carry more general, strategic responsibilities for adults across all council services.

4.2.2 Children & Young People

The new Strategic Director, Children and Young People, has now been in post six months and is currently finalising improvement and restructuring plans. These will be ready no later than the beginning of January 2015 and will give greater focus and pace to the Department's work.

As with Adults, the proposal is to move Children and Young People's commissioning to a new central unit. This report also proposes that the senior management of the Department is streamlined by at least one head of service post.

The post of Strategic Director, Children and Young People, continues to carry more general, strategic responsibilities for children across all council services.

4.2.3 Environment & Neighbourhoods

Now that many of the services in Environment & Neighbourhoods have been successfully outsourced, the Strategic Director has confirmed that the time is right for structural change in this area. It is therefore proposed to move most of the Department's functions into a new Department, headed up by a Chief Operating Officer. The Strategic Director post and the two Operational Director posts are deleted but most heads of service posts are retained in the new structure. The latter posts have considerable interaction with members of the public and link closely to the collection of services described below as Community Services most of which have a significant contract management dimension.

However, given the proposed budget cuts for 2015/17, reductions in Arts, Libraries, Sports and Parks are likely. It is therefore proposed to delete the two heads of service posts: Sports & Parks and Libraries, Arts & Heritage, and to replace them with a new post, Head of Culture. This will sit in Community Services in the new Chief Operating Officer's Department.

Regulatory Services are likely to sit more appropriately within the Regeneration and Growth Department. These services are currently undergoing an extensive review which will not be completed until 2015. Given the obvious synergies with Planning and Building Control, it is proposed that Regulatory Services report to the team led by the Operational Director, Planning and Regeneration. This position will be re-assessed when the findings of the Regulatory Services review are produced.

4.2.4 Regeneration & Growth

Regeneration and Growth is currently the biggest Department with four Operational Directors and the largest number of Heads of Service. If early discussions with another London borough progress as anticipated over the next six months, the number of Operational Directors will reduce by one in April 2015. The savings from this post have not been included in the savings from this restructuring. The report to General Purposes Committee also proposed that the Department streamline its senior management by at least one head of service post by April 2015.

As indicated above, the proposal is to move Regulatory Services from Environment & Neighbourhoods to the Regeneration and Growth Department, more specifically to the Planning and Regeneration team.

Given its strong focus on residents, Brent Customer Services seem to sit best in the new structure with Community Services in the new Chief Operating Officer's Department. Bringing these services together should enable a more positive and consistent interaction with the public and the effective implementation of our new community access strategy. Brent Customer Services will retain strong links with Regeneration and Growth, particularly in relation to both benefits and business.

This seems an appropriate time too to move the web team from Brent Customer Services into Communications as we now have a new Head of Service and a fully established team.

4.2.5 Corporate & Support Services

Given the significant budgetary cuts of at least 40 per cent in these areas, change has to be radical. All teams have been drawing up proposals to find these reductions with at least 20 per cent in 2015/2016.

The services that currently sit in the Assistant Chief Executive's area will transfer in much reduced form, to the new Chief Operating Officer's Department. The post of Assistant Chief Executive will be deleted. In transferring services, we will explore the feasibility of the third sector taking on responsibility for functions such as allocation and management of grants and for the greater use of framework agreements for specific tasks. Over the coming months too, we will assess whether it is more cost effective to provide some services in-house rather than buy them from other councils.

Legal & Procurement Services will be broken up and the post of Director deleted. A new Chief Legal Officer post, at Head of Service level will be established. This will necessitate a review of the current senior management structure in Legal Services. The new Chief Legal Officer will continue to explore a legal partnership with other boroughs to produce the necessary budget reduction and will have to find significant savings for 2015/2016. The Chief Legal Officer will act as the Monitoring Officer. Legal Services will sit within Corporate and Business Support in the Chief Operating

Officer's Department. Procurement will move to the new Strategic Commissioning Unit and will be headed up by a more senior post at Head of Service level.

Finance, Human Resources and BIBS (Brent Integrated Business Support) are each required to find cuts of 40 per cent so change will be dramatic though this will be felt more strongly in 2016/ 17 than the previous year. Keeping a focus on streamlining and reducing managerial costs, Finance will be required to lose one Operational Director and one Head of Service post while HR and BIBs will have to lose one Head of Service too.

Information & Communication Technology (ICT) will move to the Strategic Commissioning Unit but will be renamed Digital Services to emphasise the importance of digitalisation in planning, delivering and reviewing services.

4.3 THE CHIEF OPERATING OFFICER'S DEPARTMENT

4.3.1 The Chief Operating Officer

Three groups of services– community services, strategic commissioning, corporate and business support – will make up a new department under a Chief Operating Officer. This post will have responsibility at CMT level for the strategic direction and leadership of the Council's strategic commissioning programme, with a specific focus on the development of partnerships across the public, commercial and third sectors, as well as overall responsibility for the services within their department. It will also provide leadership for the day-to-day business of the Council and the universal services we, or our partners or contractors, provide. The post will have a focus on service efficiency, quality and customer and community services.

4.3.2 Community Services

This brings together services from Environment & Neighbourhoods with Brent Customer Services (from the Regeneration and Growth Department) to create a set of functions with a very strong focus on residents and communities with the necessary local knowledge, capacity and skills to take forward the development and implementation of a comprehensive community services strategy. Bringing them together enables a stronger focus too on effective contract management with the potential for others to learn from areas of strength such as that currently operating in support of the Public Realm contract.

4.3.3 Strategic Commissioning

This will develop a strategic commissioning function, encompassing policy and business intelligence which currently sit within the Assistant Chief Executive's service, alongside the procurement function (transferred from Legal & Procurement), in line with the strategic commissioning model. It will bring together the Business Intelligence team with the Programme Management Office in a new unit, Performance and Programme Management, under a new Head of Service post.

This group will have overall responsibility for leading the development of user, resident and community-focused commissioning across the council, including that for Children & Young People, for Adults and for Public Health. Bringing the commissioning functions for the latter together will require a fundamental review once the new Operational Director is in post. Strategic Commissioning will work closely with the Community Services group to develop new models for the development and

delivery of the services across the Council, as well as the council-wide strategic commissioning programme.

A small team, Partnership and Transformation, will be established to support the development of partnership work with local communities. This will take on aspects of the current work of the current Partnership and Community Engagement team. This new team will also work internally to support cultural change and business improvement across the council, including the re-design of services.

As indicated above, a new team, established from the ICT Service, will be established in this area. The new name, Digital Services, indicates the key emphasis of the work of the team and a shift in direction from ICT Services.

4.3.4 Corporate & Business Support

This further streamlines corporate and business support functions, with continuing responsibility for corporate support to the organisation. It will have strong links to the strategic commissioning and customer services groups to support their work.

5. IMPACT ON THE SENIOR MANAGEMENT STRUCTURE

5.1 The reconfiguration described above will result in the following posts at Operational Director level or above being deleted in addition to a number of Heads of Service:

- Strategic Director, Environment and Neighbourhoods
- Operational Director, Neighbourhoods (Vacant)
- Operational Director, Environment and Protection
- Assistant Chief Executive
- Director of Legal and Procurement
- Operational Director, Finance
- Operational Director, ICT
- Operational Director, Brent Customer Services

The new posts are:

- Chief Operating Officer (at Strategic Director level)
- Operational Director, Strategic Commissioning and Business Intelligence
- Operational Director, Community Services
- Chief Legal Officer (Monitoring Officer)

In addition, there will be new Head of Service posts as outlined in the body of the report but these are not subject to Cabinet decision.

5.2 The overall structure at senior management level is therefore:-

- Chief Executive
- 3 Strategic Directors
- 1 Chief Operating Officer
- 12 Operational Directors (currently 16)
- 35 Heads of Service (currently 41)

CMT will comprise the Chief Executive, three strategic directors and the Chief Operating Officer, advised by chief officers as appropriate.

An extended CMT meeting will operate monthly with the Chief Finance Officer, Director, HR and Administration, and Operational Director, Strategic Commissioning, also in attendance.

- 5.3 Following the approval of General Purposes Committee, these proposals have been subject to staff consultation which ends on 5 December 2014. Any changes relevant to the recommendations in this report will be reported at the Cabinet meeting. It is proposed that the post of Chief Operating Officer be appointed on a one year, fixed term contract so the new chief executive has some involvement in the permanent appointment. This will also ensure the new structure can get up and running quickly. Recruitment to the vacant posts in the new structure will be advertised as quickly as possible following the consultation period. Appointments to all posts at Operational Director level and above, including the interim Chief Operating Officer, will be by the usual Member Panel for posts at this level

6 FINANCIAL IMPLICATIONS

- 6.1 The total savings from this reorganisation are approximately £1.4m.
- 6.2 It should be noted that an additional piece of work is being undertaken by the HR Director to review the terms and conditions of employment of staff with a view to generating additional savings. It is anticipated that this review will result in a reduction in salaries for some senior manager posts through reconfiguration of the Hay grading system. Any affected staff will be subject to one year's pay protection so efficiencies from this exercise will impact in year 2 (2016/17). Any impact on Chief Officer terms and conditions will be subject to approval of General Purposes Committee.

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 manager 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.
- 7.3 These proposals have already been approved by General Purposes Committee. In accordance with Standing Orders, it is necessary to seek Cabinet approval to create, amend (other than a minor variation) or delete posts at Operational Director level or above. It is also necessary to agree arrangements in respect of the Monitoring Officer function which is covered in the body of this report. This report is in accordance with this requirement and outlines the key proposed responsibilities for the new posts and the financial implications arising there from.

8 DIVERSITY IMPLICATIONS

8.1 As part of this restructuring, twelve posts, including those at Head of Service level, have been proposed for deletion. Two of these posts are currently vacant. The diversity impact has been assessed in respect of these postholders, although further postholders will have a change of line management which is considered less significant. There will be further posts affected at Head of Service level as a consequence of this restructuring but it is not yet known which posts these will be. This represents a small proportion of the council's workforce as a whole, however, an initial analysis of the profile of those affected compared to the council's overall workforce profile indicates that:

- Half of those affected are male (50%) whereas the majority of the workforce overall are female (65%). Males are disproportionately affected by the proposals when compared to the gender profile of the council as a whole.
- 100% of those affected are White British. This represents a disproportionate affect on this group compared to the percentage council wide but is unsurprising given a larger proportion of senior managers in the council are White.
- The majority of those affected (60%) are aged between 50-59 years old. There are two members of staff affected between 40-49 years old, one person between 17-39 years old and one person between 60-69 years old. There is a disproportionate effect on this age range as the average age in the workforce is 44 years.
- There is a disproportionate effect on disabled staff with 20% of affected staff declaring a disability (workforce average 8%).
- The majority (70%) of those affected are married or in a same sex partnership which is in line with the organisational profile.
- It is not possible to analyse the other protected characteristics of sexual orientation, gender re-assignment, or pregnancy and maternity due to lack of available data.

8.2 A full predictive and retrospective Equality Assessment is being undertaken in consultation with the Equality Team to ensure that adverse affects on vulnerable groups are mitigated wherever possible. A meaningful Equality Assessment is compromised by lack of available data for some of the protected characteristics as individuals have chosen not to provide this data.

Background Papers

Restructuring of the Senior Management of the Council, GP Report 7/11/13

Appendices

Appendix 1 Current top structure of the Council

Appendix 2 Proposed top structure

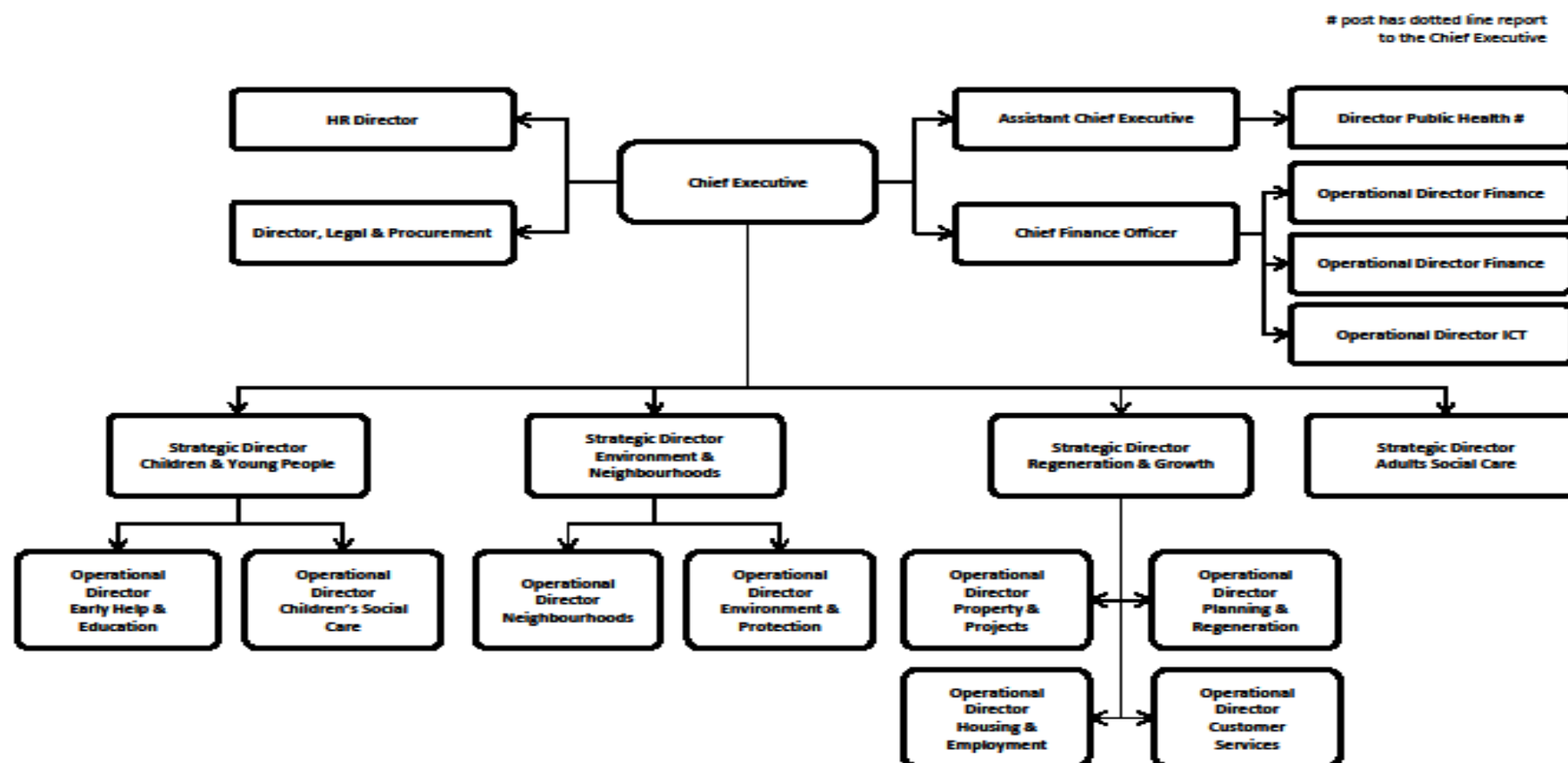
Appendix 3 Proposed Chief Operating Officer's Department

Contact Officer

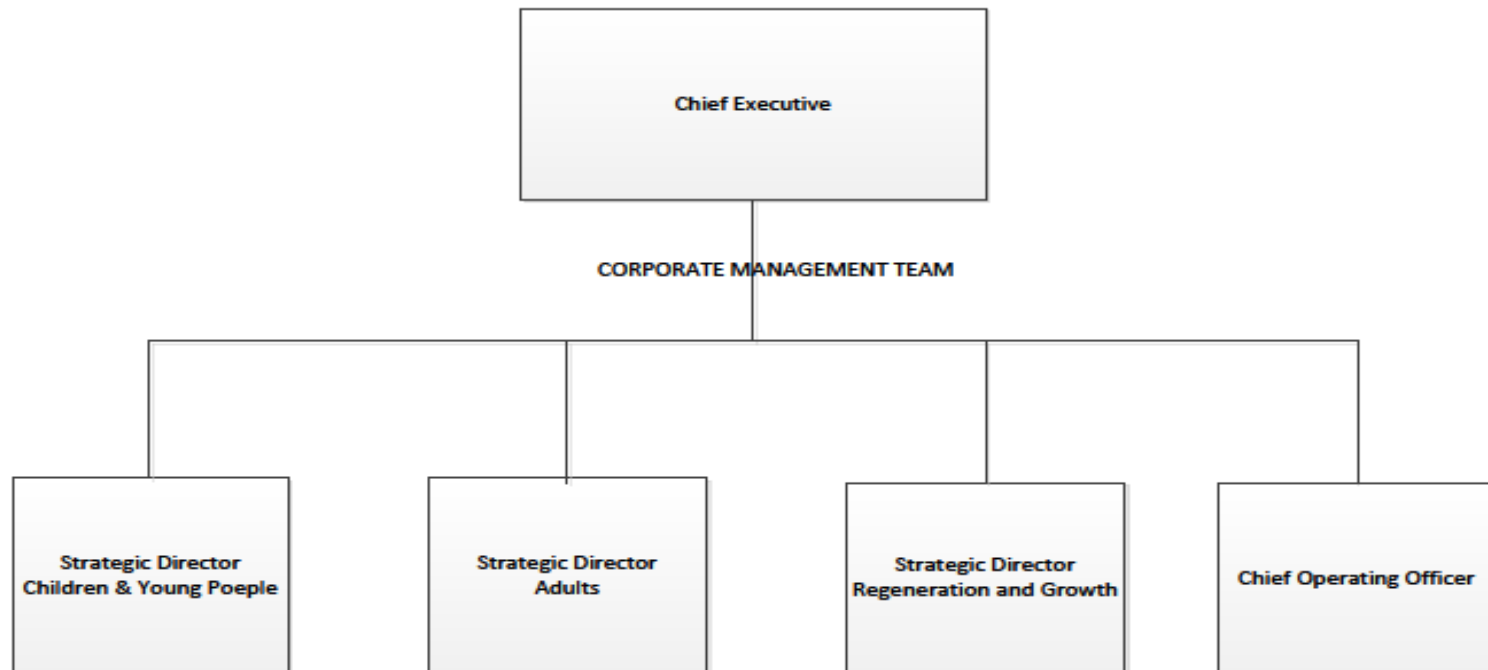
Christine Gilbert, Chief Executive

November 2014

Senior Management Structure



APPENDIX 2 - PROPOSED TOP STRUCTURE



APPENDIX 3 - CHIEF OPERATING OFFICER'S DEPARTMENT

