

Report to the Overview and Scrutiny Committee

Date of meeting: 19 November 2019



Subject: Stronger Council – People Strategy Update

Responsible Officer: Georgina Blakemore (01992 564223).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

That the Committee undertake appropriate scrutiny of the restructuring and recruitment workstream of the People Strategy to check programme progress, understand restructuring and the recruitment processes undertaken and have overview of outcomes achieved to date.

Report:

1. Members will recall the People Strategy is one element of the Transformation journey which has been ongoing for a number of years. Changes of Senior Officers as part of the People Strategy has led to a reorientation of the programme of change, although the underpinning elements remain the same. The People Strategy and the Accommodation Strategy are both work programmes within Stronger Council. Both of these programmes are presented for scrutiny at this meeting. Both have seen significant progress over the last 12 months.

2. The overview and scrutiny function has 3 select committees aligned to the 3 workstreams (Stronger Council, Stronger Communities, Stronger Place), delivering the Corporate Plan outcomes. Stronger Council has both the People Strategy and Accommodation project within its terms of reference and two meetings have taken place with agenda items on both included.

3. This report does not repeat the People Strategy or report on all of the workstreams involved, but seeks to describe the principles and rationale behind the restructure and recruitment process as this is the area of work that Members and Unions have raised some questions and expressed some concerns about.

4. The People Strategy work streams are:

- Resourcing the Council – recruitment;
- Developing the organisation – restructuring and common operating model;
- Developing Leadership;
- Developing the skills and capacity of the workforce; and
- Pay and Benefits.

Management Restructuring

5. The People Strategy outlined a number of issues with management and leadership, not least the number of management layers and spans of control. The Local Government Association layers and spans of control review had identified multiple layers of managers, decision making going up to the top and an organisation working in silos.

6. A management structure was agreed to Service Director level and recruited to by September 2018. All 8 FTE appointments were internal.

7. The restructuring principles agreed by the Acting Chief Executive, Strategic Director and Service Directors in September 2018 included the design of the next layer would always evolve and involve the management coming into post. There was not a 4 layer management structure designed by the Acting Chief Executive and new Leadership Team. This principle has held throughout the restructure process. If there was no manager in post to input into the design the decisions would delegate upwards in order to minimise delay. This promotes ownership, accountability and enables managers to shape their own management structures as long as costs remained within the overall budget. This principle of designing by layer was explained and shared with staff and managers at engagement events. Although unfamiliar to the organisation the approach was designed to demonstrate the expected change in culture – accountability, decisions made at the lowest level, work across corporate challenges, understand the whole Council and its cross cutting programmes.

8. The next layer of the management spine was designed and recruited to from 14th December 2018 with internal appointments made by between 28th January 2019 and July 2019. External appointments were in post from July 2019 to the most recent external recruit 17th October 2019. These posts are Service Managers and total 16 FTE.

9. The final management layer is Team Management. These Managers are the closest to the staff. There are no management or supervisory roles beneath this layer. Recruitment of Team Managers began on 6th May 2019 with internal appointments from 1st July 2019. External roles are out for recruitment.

10. The overall reduction in management posts is 53 FTE, - £1,175,332. The total number of management roles in the establishment now is 89. This number includes Specialists.

11. Although a significant reduction in headcount the new roles include specific management responsibility and an expectation that management of people is the roles primary purpose. This in effect increases management capacity and enables performance management and change management to be a focus and significantly more focus on corporate wide programmes of work increasing the probability of successful delivery and increasing pace of change.

12. Of the management spine recruitment 72% of the roles have been recruited to from internal candidates.

13. The recruitment process across all management levels was robust and challenging. All of the management roles were new roles. There was no assimilation. All candidates undertook interviews, tests and external assessments to ensure independence and fairness. There were pass and fail points in the process. Although all roles were internally advertised first, a number of internal candidates competed against external candidates for roles in the later stages of recruitment and were successful.

14. A number of employees who were previously in management roles were not successful and are now in the restructuring process for staff roles. These staff are ringfenced and opportunities across the Council are being centrally monitored to ensure redeployment opportunities are known.

15. Challenges remain across the management structure. These vary from development of individuals, converting the success of being recruited into real world people management and delivery, increasing pace and being accountable for decision making to attraction, retention, succession and talent management.

16. The Level 4 posts of Strategic Director are fixed term or interim resources. The risks are being managed. Delivery and performance is at a high level, however this is not a sustainable position and proposals are being developed to address this challenge.

Staff Restructuring

17. Leadership Team agreed that an important next step of the People Strategy was to increase organisational stability and a period of certainty for staff as the number of change projects directly affecting them was increasing. Before taking the accommodation project, travel planning and new ways of working – all inter dependent projects – to the next stages of delivery it was important to ensure any staff concerns were understood and managed as far as possible.

18. Many staff would be affected by the accommodation moves, and as part of change management having a workforce who had clarity about their individual employment would be a positive change impact.

19. In short – worrying about whether you had a job as well as moving your working location, and then the uncertainty of being asked to work in new ways and travel around in different ways, plus get to grips with new technology in the process could be very unsettling for staff who are not used to change in the work place and a lot to deal with.

20. Having identified that certainty about employment would go a long way to settling staff and enable Managers to be positive in taking their teams through the change process Leadership Team designed a structure for consultation with the aim of roles being filled by Christmas 2019.

21. Some principles were agreed such as the structure had to be within budget. Any changes planned for within 12 months had to be reflected in the structure for consultation. The aim was to settle staff, not transform services, therefore assimilation would be in place and a high number of staff were expected to assimilate. All staff assimilating would have a behavioural assessment where EFDC values would be tested – this was for development purposes, there would be no pass/fail but it was a good way for Team Managers to start their performance and development conversations going forward.

22. There are a number of staff who are not under consultation or included in this restructure. All of these staff are aware of the reasons why they are not included at this stage. There are a variety of reasons ranging from operational to potential TUPE transfer within the next 12 months.

23. At the time of writing staff are in consultation. The original 30 day consultation on structures was closed and new consultation has started 6th November 2019. There were changes as a result of staff comments and management changes. There are 3 phases to the consultation, the last date ending 10th Dec 2019. Team Managers will be meeting each member of staff in an individual conversation and staff will either assimilate (no significant change in role – no salary change), assimilate on pay protection (a drop in salary of one band), be identified as potentially at risk (a salary drop of more than 1 band). Currently the expected FTE in this category is 9.7 FTE.

24. Vacancies have been on hold to ensure there are as many roles as possible available for staff to retain a job. This early action over a period of 6 months has created flexibility and decreased the potential instances of compulsory redundancy.

Workforce Statistics

25. The number of leavers has not significantly increased this year to last year.
- 12 months to 1.11.2018 there were 94 leavers, 7.83 average per month.
 - 12 months to 01.11.19 there were 105 leavers, 8.75 average per month.
26. Sickness comparisons year on year show an increase from 1902 days to 3025 days. Analysis will be undertaken as part of the workforce metrics being developed further. The information available shows a high increase in cancer related absence: in 2018 62 days compared to 2019 427 days.
27. There is also an increase in non work related stress and mental health such as anxiety.
28. Establishment figure comparisons show the incoming new structure (subject to consultation) as 620.60 FTE at £26,469,749 cost compared to 687 FTE £27,544,974 cost. The difference in FTE is -66.94.

Next Steps

29. This is not a direct reduction of 66.94 people as a number of holiday season staff were previously accounted for as whole FTE for the year, whereas this has now been adjusted to reflect actual FTE. In other words, 687 FTE was artificially high for the year.
30. LGA Corporate Peer Review and resulting Action Planning – presentation at November Cabinet meeting. The people strategy will be a key input into this review.
31. Staff engagement model implementation – measuring staff morale. First staff survey planned for w/c 18th November. Multiple site visits planned for staff engagement with the Chief Executive and Strategic Directors.
32. Revisit of senior structure and assessment of effectiveness. Benchmarking and reviews of other organisations underway. Evaluation of first 12 months of Service Director recruitment underway.
33. Appointment Panel, JCC and Union engagement plan for the next 6 months to be created and meeting dates set up provisionally to aid diary management.
34. People Strategy review and evaluation exercise (started Aug 2019).
35. Next Staff Briefing date 27th February 2020.

Options Considered and Rejected:

Whole organisation restructure following a process redesign of all work undertaken

This option was rejected due to the length of time the organisation had already been under a transformation period. A restructure following process redesign would have been a minimum of 24 months redesign before starting restructuring. Process redesign had already proven challenging, highly resource intensive and required a significant investment in external resources to aid capacity and capability. The lessons learnt from early attempts within the creation of both Customer Services and Business Support were that the culture was a barrier and management capability to manage change and people was under developed. The organisation showed signs of change weariness, although only a limited but hard earned element of change had been delivered.

Following Management restructure (Autumn 2019) – delay a staff restructure until after a transformational redesign of the operating model and process redesign

This option was rejected. A transformational redesign requires strategic capacity, management and leadership capability at multiple levels, a period of time to develop proposals and engage all staff, managers and members in the process and an organisational appetite for potential disruption. There are many Councils who have undertaken the challenge of significantly changing their model of operation, however the journey of EFDC is already established and key programmes of change negate the immediate need to transform the operating model.

The assessment of Leadership Team concluded that stability of the workforce could be achieved and a period of bedding in the management layers would be beneficial – all within budget and still deliver some moderate changes to service delivery of benefit.

Resource implications:

The fund created in 18/19 budget of £2,000,000 for supporting the people strategy has £400,000 remaining.

Legal and Governance Implications:

The consultation with employees and managers throughout the restructuring is compliant and within policy.

Safer, Cleaner Greener Implications:

Related to people and how people can work is the travel planning and the working in new ways. Both of these make positive contribution to the green agenda. Although not directly associated with the recruitment activity the management team are active in the positive change approach to how and where people work with the aims of promoting sustainability and a reduction in journeys.

Consultation Undertaken:

Staff and Management engagement activity has included a number of staff briefings and management induction days and follow up training and development sessions.

Consultation on restructuring has followed policy requirements. Consultation on the staff restructure will be open for some staff at the time of this meeting.

Below is a list of a sample of engagement since the 27th September 2018:-

Thursday 4 October 2018

Hear from our new Strategic Director, Georgina Blakemore, find out the latest on the People Strategy and the Staff Travel Plan, get feedback from the Managers' Conference held last Thursday and much more!

- Introduction to New Leadership Team Directors and Georgina Blakemore
- People Strategy next phase restructure
- Recruitment - new Strategic Director and Chief Executive
- Managers' Conference Feedback
- Update on the Staff Travel Plan

Managers Conference - 27 September 2018

- Managers Conference - introduction and objectives 1/4
- Managers Conference - meet the new leadership team 2/4
- Managers Conference - motivation 3/4
- Managers Conference - summary and final messages 4/4

Monday 28 January 2019

Items included are:

- Update on level 2 appointment process and specialist roles
- Update on Chief Executive Appointment
- Pay and Benefits Review
- Accommodation Review
- Staff Travel Plan

Wednesday 3 April 2019

Items included:

- Welcome
- Restructures and Reorganisations (to include Team Managers AND service review principles)
- Update on Pay and Benefits
- Car Parking
- Questions

This session was held in the council chamber

Tuesday 17 September 2019

Agenda items include:

- Level 1 recruitment
- Accommodation project
- Performance
- An update on the Travel Plan
- Restructure next stages

Tuesday 4 November 2019

Items on the agenda are:

- Staff Restructure
- Accommodation review
- Travel Plan

Specific Induction days setting expectations of the new management roles include:

10th September 2018 – Service Director (8 attendees)

5th and 7th February 2019 – Service Managers (24 attendees)

10th September 2019 – Team Managers Event (53 attendees)

Consultation with Unions

Date	Activity
31 July	Sent Job Family consultation documents
August	Three TU consultation meetings arranged for 14, 21 & 28 August (21 st cancelled) for Job Families
20 Aug	Sent draft JF Process document to TUs
6 Sept	Formal TU response sent to the Council (Job Families)
14 Sept	Response acknowledged, informed Unions that PM was on leave until beginning of October. Informed that staff would be consulted on structures starting mid-September.
20 Sept	Email to WS from NP regarding lack of pre-launch meeting with the TUs
20 Sept	WS responded and to a couple of corresponding questions
25 Sept	Email to WS requesting numbers of redundancies
27 Sept	Email to WS requesting Organisational Change Policy
30 Sept	Email to PM requesting numbers of redundancies
14 Sept – 3 Oct	PM on leave
30 Sept – 20 Oct	WS on leave
8 Oct	<ul style="list-style-type: none"> ▪ TU collective grievance received ▪ Email from NP confirming Pay Protection Policy
9 Oct	Acknowledged receipt of Collective Grievance, thanked the TUs for their useful comments regarding Job Families (6 Sept response).

9 Oct	Unison member meeting
11 October	Sent Council's response to both the 6 Sept and 8 Oct consultation documents. Included proposed meeting dates. Included correct Pay Protection Policy.
21 Oct	Email from NP seeking confirmation regarding end of consultation period
23 Oct	<ul style="list-style-type: none"> ▪ PM sent TUs update that staff have been informed that consultation has finished and staff will be informed of next steps ▪ Joint Consultation Response received from Unison & GMB
28 Oct	<ul style="list-style-type: none"> ▪ Council and TU meeting – number of items agreed, details on numbers of staff potentially at risk, assimilated on pay protection, increases and 'lift & shift'. Follow up email to be sent confirming ▪ PM checked that TUs received the Council's response of 11 Oct as points raised in Joint Consultation Response document the same if not similar
29 Oct	GMB email asking for confirmation of a number of points from the 28 Oct meeting
1 Nov	Email from Union with further queries – PM to finalise and send
4 Nov	PM responded to GMB points – copied to all. Attached a copy of the 30 Oct staff communications email regarding the phases of the next steps and % information regarding the impact of mapping exercise on staff

Background Papers:

None

Impact Assessments:

Risk Management:

Risk register for the programme is on Pentana and monitored at programme board.

Equality:

The assessment is included as part of the Project Initiation Document. This was completed in March 2018.