


Non-Executive Report of the: General Purposes Committee June 2016	
Report of: Will Tuckley, Chief Executive	Classification: Unrestricted
Organisational Design Principles	

Originating Officer(s)	Stuart Young, Interim HR Transformation Manager
Wards affected	All wards

Summary

This report provides Members with a set of organisational design principles aimed at directing the future shape of managerial leadership and Directorates.

The Community Plan sets out how Tower Hamlets will be :

- A Great Place to Live
- A Fair and Prosperous Community
- A Safe and Cohesive Community
- A Healthy and Supportive Community

In delivering this vision the Mayor has agreed a new Strategic Plan for the Council with the following priorities:

- Creating opportunity by supporting aspiration and tackling poverty
- Creating and maintaining a vibrant, successful place
- A transformed council, making best use of resources and with an outward looking culture

The staffing structure needs to be fit to deliver the priorities and outcomes. The reason for bringing forward a report at this stage is because the priorities and operating environment of the Council have changed. It is appropriate therefore for the Chief Executive and Members to consider how best to decide on a revised staffing structure.

An organisational structure serves two purposes: to arrange functions in the most efficient manner to deliver resident outcomes; and to translate corporate priorities into operational services. Effective structures need to be accompanied by good service planning; performance management and staff development.

At Tower Hamlets our new structure will bring the following benefits:

- Align our managerial capacity to deliver Council priorities
- Improve our performance by collaborating on outcomes
- Reinforce a one Council approach with a can-do, open culture

- Better match our political and managerial leadership
- Deliver efficiencies and modernise our ways of working

The design principles that will deliver these benefits are:

- Public Service – we put the customer at the heart of all we do
- Performance – a structure that enables improvement
- Accountability – we will hold people to account at the right level of responsibility
- Collaboration – we encourage One-Council working
- Transparency – a structure clearly arranged around delivery of priorities
- Efficiency – we will reduce managerial costs

Each principle is described at paragraph 3 below.

A phased approach has been adopted to deliver managerial change. The first priority has been to provide increased certainty and stability by filling senior positions and move on from a high level of interim and acting roles. This has been successfully achieved, with all CMT positions now recruited to and all new post holders in place. Substantial progress has also been made with Head of Service positions.

Consideration is now being given by the Chief Executive and Directors to addressing specific staffing needs and areas of high demand or concern. This will become part of a wider organisational review, the preparation for which has begun as part of building the Council's approach to transformation. Members have recently considered the report on the Council's organisational culture.

Recommendations:

The General Purposes Committee is asked to note and comment on the organisational design principles in paragraph 3 and to receive a further report at its scheduled meeting in September 2016 setting out detailed proposals.

1. REASONS FOR THE DECISIONS

- 1.1 This report provides Members of the General Purposes Committee with a set of principles to inform the future organisation of the Council's workforce. Members are asked to comment on the design principles so that they might inform structural proposals to be brought to the Committee.

2. ALTERNATIVE OPTIONS

- 2.1 The organisational structure could be left unchanged but this would not deliver the necessary benefits to deliver the Council's strategic priorities.

3. DETAILS OF REPORT

- 3.1 The Mayor in Cabinet approved the Council's Strategic Plan which sets out the Council's priorities and objectives for the next three years. At the same time challenges remain. The landscape of local government continues to change as public spending is further reduced. Our medium term financial plan identifies a funding shortfall of £59 million over the next three years.
- 3.2 In response a set of transformation principles and activities were agreed by Cabinet on 5th April 2016 as part of the Strategic Plan. The principles are Better targeting – the right people at the right time; Re-design and integration for better outcomes; Empowering communities and citizens; Harnessing economic growth; Economies of organisation.
- 3.3 As the context and operating environment of the Council changes it is appropriate to consider our organisational structure.
- 3.4 It is proposed to adopt the following organisational design principles:
- 3.5 **Public Service** – we put the customer at the heart of all we do. We will organise services to encourage single points of customer contact. We will group services to make it easier for residents to transact with us. We will enshrine a public service ethos of integrity and honesty in our approach.
- 3.6 **Performance** – a structure that better enables improvement by more closely assigning Council priorities to services. The alignment of political and managerial leadership is a key enabler to ensuring that high performance is sustained. Closer alignment to priorities will bring a collective sense of purpose and better facilitate partnership working. The structure will enable a positive One-Council, can-do culture.
- 3.7 **Accountability** – we will hold people to account at the right level of responsibility. We need to enable our middle managers to deliver, to be clear in what is expected of our services and hold our managers to account. Our future structure can encourage greater accountability by bringing clarity of function. Being accountable will form a tenet of the future working culture.

- 3.8 **Collaboration** – the structure should encourage a One-Council approach to working. We will enable work groups to form, do business and reform more rapidly. This agile way of working will bring refreshed pace and energy to delivery.
- 3.9 **Transparency** – The future structure will be clearly linked to delivering our priorities. The grouping of services and partnerships will be focussed and clearly arranged around delivery of priorities. Management will be more transparently accountable to Councillors as services and Member portfolios are better aligned.
- 3.10 **Efficiency** – current staffing costs will be benchmarked and reduced as the future organisation streamlines tiers and layers of management. The proposals will limit the number of layers from Chief Executive to point of delivery and recommend spans of managerial control.
- 3.11 It is proposed to follow this paper with a further detailed report to the General Purposes Committee at its scheduled meeting in September 2016. This paper will contain proposals for functional groups, a revised Directorate structure and indicative timescale to implement.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The Chief Finance Officer has been consulted in the preparation of this report. Whilst there are no direct financial implications arising from this report it forms the basis of changes that will contribute to delivering the savings set out in the Council's MTFS.
- 4.2 As individual proposals are developed in line with the proposed approach the financial considerations will be included so that members understand fully the implications.

5. LEGAL COMMENTS

- 5.1 The Interim Service Head for Legal has been consulted on the contents of this report and has no additional comments to make at this stage.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The organisational design principles set out in this report will support the One Tower Hamlets objectives.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 The proposals to be brought forward will add value to the efficiency and effectiveness of the Council. The future staffing organisation will contribute to each of the Best Value Action Plan areas.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no direct SAGE implications arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

9.1 The proposals to be brought forward on staffing will provide a secure foundation for the delivery of the Council's main plans and strategies therefore reducing risk of not realising our planned resident outcomes.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no direct Crime and Disorder implications arising from this report.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- NONE

Officer contact details for documents:

- N/A