

# LONDON BOROUGH OF NEWHAM

## CABINET

<b>Report title</b>	<b>Making Newham Work better for everyone final proposals for a new operating model</b>	
<b>Date of Meeting</b>	<b>12<sup>th</sup> April 2019</b>	
<b>Lead Officer and contact details</b>	<b>Katherine Kerswell Interim Chief Executive</b>	
<b>Director, Job title</b>	<b>Katherine Kerswell Interim Chief Executive</b>	
<b>Lead Member</b>	<b>Rokhsana Fiaz Mayor of Newham</b>	
<b>Key Decision?</b>	No	
<b>Exempt information &amp; Grounds</b>	No	
<b>Wards Affected</b>	None	
<b>Appendices (if any)</b>	Current structure Proposed structure – tiers 1-3 Changes to the draft structure from consultation Job Descriptions Overview and Scrutiny Committee Response Design principles Change drivers	

### 1. Executive Summary

1.1 The London Borough of Newham is undergoing a significant reset of its vision, values, ambition, and priorities and needs to redesign its operating mode to support that. The significance of the way Newham is changing is best understood from the commitment that the Mayor and her new administration have made to put “**people at the heart of everything we do**”.

1.2 This reset is also happening at a time of great national uncertainty in regard to the UK’s relationship with Europe and our future trading partnerships with other countries. National government’s policies for public services are deeply uncertain. Future funding for local government is unclear and the lasting effects of the government’s austerity policies can

be seen in the daily lives of many of Newham's residents.

- 1.3 This highly uncertain future can be deeply immobilising. At times like these it is imperative that the London Borough of Newham heightens its own sense of agency and maximises the impact of the public resources within its control in the most effective way. Another of the administration's new policies Community Wealth Building captures this approach.
- 1.4 Possibly for the first time, all of the Council's staff, a small group of "at risk" staff, trades unions, Overview and Scrutiny and partners have all been consulted over a 30 day period. The proposals that were consulted upon had roots in the ideas and priorities expressed in a range of consultations with the Senior Leadership Forum and from the Culture Change workshops.
- 1.5 This report needs to be viewed alongside the Council budget for 2019/2020 and the MTFs and the Corporate Plan for 2019 /2020. These elements are the cornerstones of delivering the policy priorities of the Mayor and her administration.
- 1.6 This report complies with the duty of the Head of Paid Service (Interim Chief Executive) as defined in the Local Government & Housing Act 1989 [Part 4] that where it is appropriate to do so, to prepare a report to the authority setting out their proposals as to:
  - the manner in which the discharge by the authority of their different functions is co-ordinated;
  - the number and grades of staff required by the authority for the discharge of their functions and;
  - the organisation of the authority's staff;
- 1.7 In enacting that duty, these new structure proposals are designed to ensure the resources of the council properly reflect and support the Mayor and her administration's policy and organisation priorities, most particularly "**putting people at the heart of everything we do**" which includes residents of the borough as well as the Council's staff.
- 1.8 The practice to date of this authority in relation to any decisions made on structure changes has been for the Head of Paid Service in compliance with the Council's scheme of delegation [November 2018 Part 3. - 6. & 44.] to undertake any formal consultation and then for the Head of Paid Service to take the final decision as well.
- 1.9 In accordance with the Mayor and her administration's commitment to the highest ethical standards of governance and transparency, a different transparent and public approach to the decision making on these structure proposals is being used.
- 1.10 A structure is one element albeit a vital one; in the effective design and operation of an organisation. On its own it will not solve all the issues an

organisation faces. What matters is that it is a structure designed for the context of that organisation, its required capacity, capability, its ambitions, priorities and its risks.

1.11 This is a structure specifically designed for the London Borough of Newham.

## **2 Recommendations**

2.1 For the reasons set out in the report and its appendices, Cabinet is recommended to agree:

2.1.1 The structure chart, grades and job roles for the new tier 1- tier 3 posts

2.1.2 A series of reviews commence as described on page 24

2.1.3 That responses to the 7 staff who are formally at risk from these proposals are conveyed and formal processes under the Council's Management of Change policy now commence

2.1.4 Communications about the new structure be sent out to all staff, partners and residents.

2.1.5 A new communications narrative be commissioned to define the message of the new Council, its new operating model and new posts for the recruitment campaign and other communications activity.

2.1.6 The recruitment of dedicated HR support to implement this restructure and the resulting further reviews.

2.1.7 Business support for tiers 1-3 is reviewed and appropriately distributed.

2.1.8 That measures are developed to assess how the Council demonstrably puts "people at the heart of all its does".

2.1.9 A review to assess the effectiveness of the structure in 18 - 24 months' time.

## **3 Background**

3.1 The current council structure is an interim structure. The actual agreed structure of the council was created in October 2017 and became obsolete following the May 2018 election, the departure of a number of chief officers and the fundamental change of political leadership, policy direction and vision for the council.

3.2 A number of senior staff left the council in the summer of 2018 and acting up arrangements were put into place at that time followed by the recruitment of an interim chief executive in August 2018. The corporate management team is unusual in that there is only one permanent member of staff in their substantive post and three permanent staff are in acting up positions. There are four externally appointed interims and one vacancy.

- 3.3 One of the significant risks the council bears is the overwhelming number of interim and acting up arrangements that are in operation at all levels of the council but most specifically in the senior leadership of the council.
- 3.4 This proposed new structure and the appointments process that will follow any final decision will seek to urgently mitigate that risk.
- 3.5 The October 2017 structure was designed around the separation of core commissioning functions from delivery, to be delivered through externalised business units and a drive to become more commercially focused. This was implemented across the council and commissioning and delivery roles were appointed in different directorates for the same service area. The priority that was placed on enforcement of regulations on residents is evident.
- 3.6 Adults, children, education and homelessness services were brought together in one department in order to align and co-ordinate their commissioning and fully integrate with the NHS whilst all the delivery elements of those services were being outsourced. The combination of adults and children's services revealed the significant financial control, process and service weaknesses in children's services. The resolution of these issues were then left to be addressed by a reduced leadership and management capacity than had existed and which had created these issues when children's services was a separate directorate.
- 3.7 Youth services were divorced from children's services and placed in another directorate near to the YOT, highlighting the prominence of the enforcement approach of the previous administration.
- 3.8 This management structure was significantly criticised in the staff workshops as delivering silo-ed working and a total lack of communication and information sharing between services. Many other comments were made about how Directors and staff didn't work coherently, how it often felt as if they were working against each other and that successful delivery of services was sometimes done despite the organisation not because the organisation was helping them.
- 3.9 The services with the highest human and reputational risks for the council were amalgamated into one department and leadership and management capacity was not increased commensurate to those risks.
- 3.10 Staff are rightly very proud of many aspects of what they have produced working for Newham Council but their anger and low morale in working in the old structure and how change was managed is palpable.
- 3.11 The current structure does not support the Mayor and her administration's vision, ambition or priorities and does not adequately address the risks that the council is bearing. The structure not only needs a fundamental redesign but changing it needs to be implemented in a way that respects the feedback from staff on how change has been delivered in the recent

past.

### **3.1 What role does organisation design play?**

- 3.1.1 Organisational design is a much broader process than a restructure. It covers all elements of an organisation's functions and how human and financial resources need to be aligned to achieve the strategy and objectives of the organisation with the right supporting culture.
- 3.1.2 The Mayor and her administration have described the need to "repurpose" Newham Council, to "reset normal operating conditions", to enable agility and interdisciplinary working and to fundamentally redesign the internal control system. All of these actions, along with the change programme from the culture change workshops and the restructure proposals are part of repurposing Newham Council.
- 3.1.3 Structure as the word implies, provides the infrastructure or "the wiring" against which the resources of the organisation can be arranged and activity can then be driven. Whilst a restructure is often loaded with expectation it cannot deliver, it can play the role of a vital messaging platform outlining the priorities of the organisation by showing where the investment of management and leadership capacity is being made.
- 3.1.4 A successfully functioning organisation starts with a clear vision and set of values which are shared across it. Structure is a vital element of delivering the vision and values but it has to be complemented by the right systems, strategy, skills set, staffing arrangements, and style of the new organisation.
- 3.1.5 The broader cultural change programme which will follow will work across all those elements; structural, processes, system and behavioural change, which put together will enable the Mayor and her administration's policy and organisational priorities to be delivered.

### **3.2 Design Principles**

- 3.2.1 Redesigning a large complex organisation such as the London Borough of Newham is a significant challenge. It employs over 4,500 people, spends some £261 million a year (2019/20) and supports the needs of 340,000 residents. Any change must be considered very carefully. It must be designed in the interests of effective and safe service provision and not in the interests of any one individual or groups of individuals. In order to mitigate against any unconscious preconceptions or unwarranted preferences, it is essential that design principles are considered before drawing up any organisation charts and job roles.
- 3.2.2 A series of design principles were created in a workshop with the Senior Leadership Forum in August 2018 and were then consulted upon and agreed with them. The Mayor was also consulted on these to ensure that they resonated with the vision and priorities she and the

administration were elected to deliver.

3.2.3 These design principles were then explicitly checked against the output from the culture change workshops and the views of over 600 staff. The alignment of these principles and views from the workshops is laid out in the appendix. They have been used to create the proposals contained in this report.

### 3.3 Change principles

3.3.1 A set of change principles have been drawn up to shape how future change is managed and delivered. These have been drawn up in the same way as the design principles via the Senior Leadership Forum and through validating with the culture change workshops. That analysis is laid out in the appendix and need to be adhered to in how this structure and other elements of the culture change programme are implemented in future.

### 3.4 What are the policy and organisational priorities of the Mayor of Newham and Administration?

3.4.1 “**People at the heart of everything we do**” captures the essence of the policy approach of the Mayor and her administration, particularly with regards to the council’s interactions with its residents. It appears a straightforward phrase but to operationalise this across all council services requires fundamental cultural change in a council that was predominantly focused on the physical capital of the borough and the externalisation of all services. It is a behavioural and attitude change that does not immediately imply changes to the way services are transacted. So whilst some structural realignment of staffing and reporting lines may support this, the significant change will come through our new values and behaviours; the way staff relate to residents and understand that there is no “business as usual” approach for any of our services.

3.4.2 The structure is one element of enabling council resources to be allocated to deliver the new priorities and the comprehensive change programme that is currently being designed following the recent culture change workshops will embrace the overall changes required.

3.4.3 It must be noted that there are already many examples of Newham staff putting Newham residents at the heart of everything we do and delivering exemplary service. But there are also very public occasions when that hasn’t happened and this change programme is an opportunity to not only reset the way the council is structured and operates but also to reset the relationship with Newham residents so they can begin to trust us and know “we have their backs”.

3.4.4 The aim of the change programme supported by the restructure is to deliver a council where:

- council officers consistently demonstrate through their daily interactions that they “put people at the heart” by recognising the

lived experience of Newham residents of the services we deliver and tackling the daily challenges of Newham residents in regard to housing, low pay, child poverty, underemployment, street litter, etc.

- the ambition of Newham residents and especially young people is amplified throughout all council services and through a community wealth building approach that will directly benefit Newham residents.
- residents are actively engaged with everything the council does, listening, communicating, engaging, co-designing and co-producing, with participatory democracy and participatory budgeting at the heart of how the council operates.
- where services have been pivoted and redesigned where relevant in order to meet the needs of nearly 38% of its population who are under 25 years of age.
- those it serves respect it as; an open, agile, transparent, ethical council with effective internal controls, and see a motivated workforce working as one council, clear on the overall vision and values, its policy goals and targets and they part they each play in achieving them

### **3.5 What are the constraints and risks the proposed final structure seeks to address?**

3.5.1 When considering how to design an organisation structure, in addition to considering what priorities need to be resourced and delivered, it is vital to be clear about the constraints and risks that need to be addressed.

#### **Constraints**

3.5.2 The major constraint this structure needs to address is its financing. This structure has resulted in a significant saving of £248k. For prudence, they have all been costed as being appointed at the top of the scale. It is highly unlikely that every post will be appointed at the top of the scale so this will be mitigated in the first year.

3.5.3 The other constraint is the availability of staff to apply for the new roles either from within the council or from the external labour market. That constraint will be managed by excellent communications about the restructure, what the ambition, vision and aims are of the London Borough of Newham and a recruitment attraction campaign. This will also be tackled by a significant investment in staff development and management and leadership development. Opportunities to take on new cross council projects will also enable our staff to develop new skills and experiences.

## **Risks**

3.5.4 There are a number of risks that this structure must seek to mitigate.

### **Risk to the delivery of the priorities of this administration**

3.5.5 The current structure was created in October 2017 and reflects the priorities of the last administration; enforcement and externalisation of all council services based upon a commissioning and delivery model for council services. To mitigate any risks to the delivery of the new programme, the proposals in this report draw together services to support the new administration's policy priorities. It also provides an innovative new model and increase in capacity to be able to reach out across all services to embrace the priority of the Mayor and her administration particularly in regard to the children and young people of Newham.

### **Risk of leadership capacity**

3.5.6 It is essential that senior management capacity and attention is commensurate to risks to service users, risks to the public, and risk of service failure.

3.5.7 The leadership capacity increase that is proposed in the new structure proposals for statutory children's social care services is focused on being able to significantly enhance the pace of change to respond effectively to the "Inadequate" Ofsted ILACS inspection, improve the operational delivery of children's social care and support the significant investments in the new edge of care and complex safeguarding model.

3.5.8 Significantly, the proposed new structure also gives prominence to Newham's children and young people in line with the Mayor and her administration's commitment to enabling them to reach their potential and ensuring their safety. A separate directorate is proposed which represents an additional and significant increase in leadership capacity to embrace the early help approach for children and young people across all of Newham Council services.

3.5.9 Newham Council has one of the largest housing waiting lists in the country and the largest temporary accommodation register in London at over 5,000 individuals and families. The risks of housing so many children and families in temporary accommodation plus the financial pressures the council faces from that additional demand have to be tackled in a more joined up way with more capacity. This structure proposes drawing together in a new arrangement all the housing services of the authority to drive forward the delivery of the strategic housing agenda and a new dedicated homelessness service within adult social care.

### **Risk of change**

3.5.10 It is important to note that there are of course risks inherent in any change to an existing structure. These can best be mitigated by clear leadership following the decision to implement, communication and effective programme management of the change. If there are any departures of staff or moves of staff across directorates following the decision on these proposals, then a knowledge capture and transfer process will be put in place to mitigate the risk of loss of corporate memory. This risk will also be mitigated by appointing dedicated HR resources to support this work at pace.

### **Risk of the number of interims**

3.5.11 Newham Council has had a policy over many years of employing interims for long standing roles. This risk will be mitigated by the consultation process coming to some clear conclusions and recommendations for the Mayor and Cabinet on 12th April. Following that any redeployment process and decisions will need to be quickly made and any permanent recruitment required will follow swiftly thereafter. Thereafter an active process of replacing all interims and agency staff throughout the council will be undertaken to ensure as many posts as possible are filled by permanent staff.

### **Risk of the status quo**

3.5.12 It must also be noted there are risks if the organisation chooses to stay as it is. If the current structure remains unchanged it would mean accepting that it provides sufficient leadership capacity. It would also mean accepting that it is organised in the most effective way to achieve the Mayor and her administration's priorities as contained within the manifesto and the new Corporate Plan.

## **3.6 Consultation – what was done and what was said?**

3.6.1 For possibly the first time in Newham's history, a whole council staff consultation has been deployed as well as specific consultation with "at risk" staff, trades unions and partners. A special pre decision consultative meeting was also held with Overview and Scrutiny.

### **At risk staff**

3.6.2 Originally 11 staff were identified at risk. Following detailed work on the structure with them, this was reduced to 8. One of the staff at risk then secured alternative employment which has left the group at 7. Each of them had two 1:1 meetings and one member had a further meeting at their request. All staff were able to be represented by their trade union or a colleague of their choice.

## **All staff**

- 3.6.3 A report outlining the draft proposals and draft structure charts were sent to all staff on Tuesday 26<sup>th</sup> February. Four staff meetings were held, two at East Ham Town Hall and two at Dockside. Approximately 45 – 50 staff attended all four meetings. Over 200 written responses from staff were received and individual responses have gone to each of them from the interim Chief Executive. The new Chief Executive attended the two meetings at Dockside and spoke with staff about the structure. All their comments which were received at the staff meetings have also been responded to.
- 3.6.4 Over 200 staff comments were received and the feedback ranged over many issues.
- 3.6.5 There was broad support for much that is in the proposals. Staff liked the focus on young people and the drawing together of housing services. The Registrars service were pleased to be moving to Licensing and Regulation. There was a request made for a change to Homelessness services to be moved all to Adults and Health which is being recommended.
- 3.6.6 There was concern expressed over the merging of the customer services function and the community neighbourhoods function. This has been changed in the final proposals.
- 3.6.7 Staff were also concerned about the lack of the word “Education” and “Health” appearing in any job title and this has been rectified along with professional qualifications and backgrounds in those areas to be required in recruitment.
- 3.6.8 There was concern expressed over two children’s directorates and possible duplication. This has been clarified in the final proposals. Staff in the Adult Learning Service were concerned to be moving into Community Wealth Building from Education.
- 3.6.9 A lot of comments were staff making broader observations about the need for change or very specific enquiries about their own service or status which was not the subject of this consultation.

## **Trades unions**

- 3.6.10 Two meetings were held with the Trades unions at the start and the close of the consultation period on 26<sup>th</sup> February and on 4<sup>th</sup> April. Representation was received from Unite and Unison supporting the proposals and emphasising the importance of continuing very active engagement with them throughout such processes as more restructures will clearly follow in future. A letter was also received from the National Education Union Newham Branch requesting assurance about

education expertise.

3.6.11 A very important message was received from the trades unions about uncertainty for staff from further restructures. It was recognised that this was the overarching council restructure and that further waves of changes would then follow. It was stressed as very important that communications as to who is affected and when are as clear as possible so that staff are not left unduly worrying whether their own posts are at risk. It was recognised that it would be hard always to be very specific on this but close working between senior management and the trades unions would really help communications to all staff.

### **Overview and Scrutiny**

3.6.12 The Chair of Overview and Scrutiny kindly agreed to hold a pre-decision scrutiny meeting on 19<sup>th</sup> March into the structure proposals. The Mayor, the Interim Chief Executive and the Acting Director of HR & OD (oneSource) attended. There was a lengthy discussion and a full report was produced by the Committee which is appended to this report.

3.6.13 Overall the Committee were in favour of the proposals with some very helpful caveats that have been adopted in the final proposals to Cabinet. They gave their support to the Resident Engagement division proposal, the role for every Corporate Director to have a geographic accountability for service delivery across the borough, a query on the span of control for the new Chief Executive and noted how much more work will need to be done culturally.

3.6.12 A very helpful discussion around the accountabilities of the DCS and the Newham Children and Young People's Commissioner has resulted in an assurance mechanism being created in the job descriptions for both posts to ensure compliance with the statutory duties of the DCS.

### **All members**

3.6.13 All members were sent the same report and structure charts as staff. A special All Members Briefing was held on 25<sup>th</sup> March which the new Chief Executive attended and she also spoke to members about the proposals. A number of councillors have sent in comments and these have been responded to either at the Member briefing or in writing.

### **Partners**

3.6.14 A number of the Council's formal partners have been consulted.

3.6.15 The **Newham CCG and the NELSTP Single Accountable Officer for the NHS** were consulted who were both positive about the proposals and the Council's continuing support for the integration of adult social care and health.

- 3.6.16 The **Metropolitan Police Bi Borough commander for Waltham Forest and Newham** was also supportive of the proposals and particularly welcomed the additional resources and more leadership capacity for children's services.
- 3.6.17 As the proposals affect some of the working relationship with oneSource Directors, both the **Chief Executives of the London Borough of Bexley and the London Borough of Havering** were consulted. Both were supportive.
- 3.6.18 The **Chair of the Newham Safeguarding Children's and Adult's Safeguarding Board** was also consulted. She expressed broad support for the proposals. She would like to learn more about the way the two roles for children's services will liaise and be involved in the review of the integrated support service as it relates to safeguarding. She was keen to work in the new partnership structures the Mayor had been discussing at the Health and Well-being Board. She emphasised that we must avoid a crowded and confusing partnership landscape and it is important we work closely on setting out clearly what the interface is between all these emerging partnerships.

#### **4 Key Proposals**

- 4.1 The new structure proposes the creation of seven directorates. Each of these is focused upon the delivery of the policy priorities of the Mayor and her administration as contained within the election Manifesto and the Corporate Plan.
- 4.2 The defining approach has been to
- organise around the priorities of the council e.g. housing, children & young people, community wealth building, etc.)
  - add a particular focus on children and young people both in a preventative safeguarding way and in a developmental ambitious way for their futures
  - create the potential to deliver a children and young people centred borough
  - add leadership capacity
  - divide service areas into a more equal distribution,
  - remove the commissioning delivery splits that exist and reconnect services,
- 4.3 Design features of the final proposals** – these reflect some of the comments expressed in the culture change workshops about how we need to change the way we work and have been mostly reflected in job descriptions and are highlighted here to bring to the Mayor and Cabinet's attention.

- 4.4 One Council** - The structure is designed to support the one council design principle and retains the corporate policy, performance and research resources in the People, Policy and Performance Directorate supporting the corporate management team and all directorates as a whole.
- 4.5 One back office support** - The current drift to establishing additional support services in directorates will be halted and the financial management function is being reviewed as part of phase 2 of the CIPFA work programme to establish effective levels of support. The integrated shared support service for adults and children's services has been removed from these proposals and a dedicated review will be undertaken to ensure that support is designed in the best way possible for adults and children's, particularly after the Ofsted report and that there is no duplication with oneSource services as well.
- 4.6 Deputising for the Chief Executive** - All corporate directors will be able to deputise for the chief executive when required and nominated. This keeps the hierarchy flat and also enables development opportunities for all members of the corporate management team.
- 4.7 Geographic Accountabilities** - In addition to their functional responsibilities, all members of the corporate management team will have a geographic area of the borough and own its citizen's assembly with a relationship to the ward councillors.
- 4.8 Equality and Diversity** - In addition to their functional responsibilities, all members of the corporate management team will also champion the Council's diversity and equality plan, and be accountable for a specific part.
- 4.9 Corporate Parenting** - The Council has so far failed to fully embrace its duties under the Children and Social Work Act 2017 in regard to corporate parenting as identified in the Ofsted ILACS report. This is now enshrined in every LBN employee's job description as health and safety and equality duties are now. The corporate management team will model effective leadership behaviour as corporate parents and extend the model to a community parenting role.
- 4.10 Child Centred Impact Assessment** – A new child centred impact assessment model will be developed and utilised in all major Council projects and decision-making so that decisions and investment are made in line with the ambition to look out for and work with Newham's children and young people.
- 4.11 Children and Young People's Participation Policy** - a Council-wide participation policy whereby adults share decision-making with children a young people will be developed and new systems created to ensure that children and young people can participate in a systematic and non-tokenistic way. The outcomes from talking with and listening to children and young people will be used to inform the development of services and policies.

people will be evidenced as to how they have informed Council-wide service delivery.

- 4.12 Statutory Assurance mechanism** - an appropriate assurance mechanism between the Corporate Director of Children and Young People's Service and Newham's Children and Young People's Commissioner will be drawn to ensure that any commissioning of other Council services by the Newham Children and Young People's Commissioner fulfils the statutory responsibilities of the Children's Act 2004 and the DfE "Statutory guidance: the role and responsibilities of the Director of Children's Services April 2013"
- 4.13 Efficiency** - It is evident when reviewing the current Medium Term Financial Strategy (which is currently not balanced in the medium term), the unknown effects of the government's Fair Funding Review expected sometime in 2019/2020 and the additional investment ambitions for services; that we have to use our resources increasingly carefully and maximise every efficiency we can. The implementation of this structure will create further opportunities for lean process reviews as services disconnect and reconnect in different arrangements that must lead to savings.
- 4.14 Professional leads** – this structure establishes the principle of professional leads for resident engagement and programme and project management. The role of the professional lead is not only to ensure that the Council undertakes activity in this area to a high standard, but that colleagues develop their skills in the discipline and that it is adopted as an approach across the whole council's services.
- 4.15 Corporate Programme Management of major change** - There will be an overarching change programme board which will oversee the delivery of the major change programmes of the council, health, children's services, ICT, culture, structure etc., and will ensure that opportunities for alignment and efficiency are explored wherever possible.
- 4.16 Cross Council project working** - In addition to the structural organisation of service activity, there will be a series of projects led either by corporate directors or other senior staff to develop cross cutting policy ideas or service solutions such as childhood obesity, air quality or loneliness and social isolation amongst elderly residents. These will be time limited projects any staff will be expected to contribute to that will further enhance working as one council focused on the needs of our residents and develop the skill and experience of our staff to enable them to progress further in their career. The first of these has been launched in the Mayor's Air Quality and Climate change taskforce.
- 4.17 Required Consultees** – within a number of job descriptions a role of required consultee has been established for example on procurement and community wealth building to ensure that overarching council policies are adopted across all services.

**4.18 Joint leadership** – a number of job descriptions specially request working across different directorates and with other named roles to further drive cross council working and mitigate silo working.

**4.19 A new lexicon - Job titles** – This structure relates to the top three tiers of the council 1-3. The defining of tiers and working relationship is essential for any effective internal control system. This new lexicon is part of enabling new disciplines to be embedded in the council.

Tier 1- Chief Executive – Grade CE

Tier 2 – Corporate Directors - Grade F- CD2 – CD1

Tier 3 Directors – SMR D-E

Tier 3 – Assistant Directors SMR A-C

Salary grade is not a determinant of whether you are denoted a Director or Assistant Director but the management reporting line to a Corporate Director is. Whilst the restructure moves through its next few waves of activity there may be some overlap on these grades and job titles as things are re-organised.

**4.20 Internal Controls** – the Internal Controls Commission will report during the next few months on changes that need to be made to the operating systems of the Council. In the interim a few steps have been taken in this restructure to enhance internal control. These are in addition to the significant change made recently at Full Council to the Audit Board.

- The Monitoring Officer will have a direct line reporting relationship to the Chief Executive.
- The Head of Assurance (Internal Audit) (oneSource) will have a direct line reporting relationship to the Corporate Director of Resources (S151) and not solely to the oneSource Director of Finance.
- A new dotted line relationship is established between the Corporate Director of Resources and the specific oneSource Directors so a direct tasking and accountability relationship can be established for the activities they are delivering for Newham. They will still retain their direct line management relationship to the Executive Director oneSource but this new relationship will strengthen their role in advising us strategically and operationally delivering for us.
- The finance review and the review of support services will further strengthen the understanding of the Council as to how the £27,961,587 annual payment (2019/20) to oneSource is supporting our internal control requirements and support service needs.

#### **4.21 The Structure proposals**

4.21.1 Staff have made a number of suggestions in the consultation that have been adopted into these final proposals. 38 changes have been made to job roles, job titles, person specifications and the allocation of functions in directorates. These are all listed in a table in the appendix.

## 4.22 Titles of the new directorates

4.22.1 Seven directorates are proposed as follows:

- Brighter Futures Directorate
- Inclusive Economy & Housing Directorate
- Children and Young People's Directorate
- Adults and Health Directorate
- Environment & Sustainable Transport Directorate
- Resources Directorate
- People, Policy and Performance Directorate

### **Brighter Futures Directorate**

***“Priority 1: Bright futures: supporting children and young people's aspirations, keeping them safe and removing barriers to success”*** from the Corporate Plan is jointly owned by this directorate and the Children's and Young People's Services directorate.

The Corporate Plan lays out the ambition this borough has for the services that support our children and young people that these two directorates will deliver.

*“Newham has one of the youngest populations of any area in the country. But too often our children and young people are held back by factors out of their control. Poverty, crime and pollution can stifle aspiration. We are committed to supporting our children and young people to achieve their goals and championing their voices.*

*This means having:*

- *A high quality and accessible universal offer which supports learning and development*
- *An effective partnership with our schools to ensure quality provision for all and support for those with additional needs*
- *A high quality, co-produced youth offer that provides a varied and inclusive range of activities*
- *A robust partnership approach to dealing with violence facing young people and their safety*
- *Clear pathways for children at risk, those in care, and care leavers”*

The Newham Children and Young People's Commissioner is a brand new innovation and would be to our knowledge, the first of its kind in any council in the country. It will reach across all council services helping to transform their approach to the 38% our population who are under 25 living in the borough. The intent is one of showing the whole council services are “stepping in and stepping up” to support children and young people in Newham. It will model a Newham version of the Glasgow public health approach to youth safety and will draw upon the Leeds City Council child centred city model, reaching across all our services and devising a whole council early help offer. It will draw together a range of youth activities to maximise their impact and support for our young people. A new Child Centred Impact Assessment process will be led by this post and a whole council Children and Young People's Participation

Policy developed.

The delivery focus will be upon empowerment, engagement and co-production with children and young people, the new and significantly enhanced youth service and also the delivery of a broad package of early help services. The Early Help model at Newham will not be defined through a children's statutory social care lens. This division of early help from edge of care and complex safeguarding approaches is to accentuate the positive outreach and development of our children and young people by all council services and enable a separate clarity on the statutory intervention role. Children's health services have been enhanced in its profile as it is an essential part of early help.

An appropriate assurance mechanism between the Corporate Director of Children and Young People's Services, and Newham's Children and Young People Commissioner will be drawn up to ensure that any commissioning of other Council services by the Newham Children and Young People's Commissioner fulfils the statutory responsibilities of the Children's Act 2004 and the DfE "Statutory guidance on the role and responsibilities of the Director of Children's Services April 2013".

Corporate parenting has not been a strength at Newham and this directorate will seek to develop a new approach of community parenting on top of our statutory corporate parenting responsibilities which will be delivered through Children & Young People's Services.

#### **Inclusive Economy & Housing Directorate**

***"Priority 2: Building Communities - a housing offer for residents that delivers more genuinely affordable homes in well-designed neighbourhoods***

***Priority 3: Community Wealth Building a strong economy that supports local businesses, nurtures talent and provides opportunities for all"*** from the Corporate Plan will both be led by this directorate.

This directorate will deliver two major policy priorities for the Council. The first area of focus will be:

*"Decent homes are the bedrock of people's lives and neighbourhood stability. Poor quality or unstable housing affects mental health, educational outcomes, social integration and much more. As in many parts of London, in Newham rents and house prices have continued to soar over the past decade while household incomes have not increased. Access to housing in the borough is increasingly out of reach for many.*

*To address this we will:*

- *increase the supply of homes available at genuinely affordable rent levels with a focus on quality*
- *reduce the numbers of homeless households living in temporary accommodation*

All of the council's housing resources have been brought together along with the regeneration programme to procure more supply to provide a more holistic approach to implement the strategic housing delivery plan's three pronged approach of "build, acquire and secure". Speedy access to the council's land in order to develop this additional housing is essential and therefore it is proposed to move the oversight of the housing property portfolio to this directorate on a ring fenced basis still provided by colleagues in oneSource shared services.

The second priority area of focus will be;

*"We want all local people to enjoy the benefits of economic growth in our borough. Growth and inward investment have too often failed to benefit all of Newham's residents. We will realise more of the potential of growth for our community, residents, local businesses, and our voluntary sector. That will help to achieve a fairer and more prosperous Newham.*

*The Council will:*

- *Use our purchasing power and influence to keep wealth in the local economy*
- *Support businesses to increase the number of higher skilled, and higher paid jobs available to our residents, and help our residents improve their skills*
- *Help young people to get access to the very best opportunities, regardless of their background".*

The culture portfolio will be brought to this Directorate to enhance its contribution to regeneration and growth. Adult education and 16-19 education and skills has also been brought to this directorate to align it more closely into the developing skills pathways for Newham residents. Apprenticeships policy and management and procurement policy and oversight has also been brought into this directorate as part of the community wealth building focus for these services. A new unit will be created as a further step from this restructure of a London Living Wage Unit to progress that policy priority and the first stage £3million investment planned in the 2019/2020.

In addition to these two significant policy priorities this directorate will also deliver the vital planning function for the council.

### **Children and Young People's Directorate**

***"Priority 1: Bright futures: supporting children and young people's aspirations, keeping them safe and removing barriers to success"*** from the Corporate Plan is jointly owned by this directorate and the Brighter Futures directorate.

The Corporate Plan lays out the ambition this borough has for the services that support our children and young people that these two directorates will deliver.

*"Newham has one of the youngest populations of any area in the country. But too often our children and young people are held back by factors out of their control. Poverty, crime and pollution can stifle aspiration. We are committed to supporting our children and young people to achieve their goals and championing their voices.*

*This means having:*

- *A high quality and accessible universal offer which supports learning and development*
- *An effective partnership with our schools to ensure quality provision for all and support for those with additional needs*
- *A high quality, co-produced youth offer that provides a varied and inclusive range of activities*
- *A robust partnership approach to dealing with violence facing young people and their safety*
- *Clear pathways for children at risk, those in care, and care leavers”.*

The Corporate Director Children and Young People will hold the statutory role of Director of Children’s Services as required by the Children Act 2004. This new structure adds significant additional leadership capacity to these essential statutory services. This will enable dedicated time to be given to setting the social work culture and leading the vision for children and young people’s social care services that should positively impact upon the quality of social work practice in this directorate. It will also enable the action plan following the Inadequate Ofsted ILACS outcome be progressed at significant pace.

This directorate focuses upon statutory children’s services and providing the highest quality social care provision to our most vulnerable children and young people. It also owns the development of the new relationship with Newham schools and education responsibilities in general. It owns the major improvement work on 0-25 SEND and the significant improvement work to be undertaken for EHCPs and social care services for disabled children and young people.

### **Adults and Health Directorate**

***“Priority 5: Quality of life - improving our health and social care system so it works for Newham residents”*** in the Corporate Plan is led by this directorate.

The Corporate Plan describes the challenges that this directorate must focus upon.

*“Newham faces a number of considerable health challenges, despite having a relatively young population. It is critical that we work closely with our health partners to address some of the biggest threats to our residents’ physical and mental health. Understanding the impact of wider social factors and creating an environment which supports healthy behaviours is central to improving health outcomes in Newham.*

*We want people of all ages in Newham to have high aspirations and feel they can achieve them. Our health and social care offer must support people to prevent poor health and also to manage conditions better if they do arise, and we must work across the council to address wider issues, such as poor housing, that impact on people’s health and wellbeing. We will work with partners to support healthier individuals, healthier families, healthier schools and healthier work places by encouraging a ‘health in all policies’ approach”.*

*This director also owns part of the priority;*

*“Work with partners, including those in the voluntary sector and health service to strengthen our approach to supporting those sleeping on the streets“*

The director holds the statutory role of Director of Adult’s Services as required by the Local Authority Social Services Act 1970 (as amended).

This directorate focuses upon the quality of social care provision to our most vulnerable adults and older people and their safeguarding. This directorate will deliver the homelessness service to our rough sleepers and the commissioning of support to vulnerable homeless residents and providing high quality advice and support to them. The way in which these exceptionally vulnerable individuals and families are treated is as important as the re-organisation of resources and the approach of the service will be reviewed.

It holds the integrated commissioning post shared with Newham CCG for all adults and health services. This directorate will continue the detailed and extensive work already underway of integration with local health care provision and Newham CCG as part of an integrated care system.

This directorate also holds the important work on public health with a new relationship to its’ commissioning function to make it more direct and effective. Environmental Health and Active Newham have been moved to this directorate to enhance their community public health focus.

#### **Environment and Sustainable Transport Directorate**

***“Priority 4: An environment for all - an attractive borough which encourages active lifestyles, social integration and civic responsibility”*** from the Corporate Plan will be led by this directorate.

The Corporate Plan commits the council to an approach where;

*“We want our residents to be proud of our local area and enjoy our surroundings. It is important that we have accessible and high quality open and green spaces for people to enjoy and encourage greater physical activity, and that our roads and streets are well maintained. We want more people to respect our local environment, and to stop issues like fly-tipping with positive behaviour change and robust and targeted enforcement.”*

This directorate continues the important work on ensuring the environment is liveable for all Newham residents, that

- our refuse is safely collected and recycled,
- our parks clean and enjoyable,
- transport around the borough is planned sustainably and our streets and roads developed as more than just a network for cars but for activity for residents, and
- licences and regulations that keep people safe at work and when out at night etc. are properly upheld.

This directorate also owns all the important planning functions for the council in respect of emergencies and also holds the responsibility for community safety and prevent.

### **Resources Directorate**

***“Priority 6: An efficient and effective Council: making Newham Council work better for everyone”*** from the Corporate Plan is jointly owned by the Resources Directorate and the Chief Executive’s Office.

*Building an organisation that is fit to deliver for the long term is one of the priorities in the next 12 months. We intend to:*

- *Ensure that our internal control systems and our approach to managing performance reflect best practice in the public sector.*
- *Adopt a comprehensive and robust approach to equality and diversity in service delivery and as employers*
- *Modernise our systems, including our digital infrastructure, to support smarter ways of working*

The Corporate Director Resources will hold the statutory post of S151 Officer as required by the Local Government Act 1972.

This directorate will manage the client relationship with oneSource and the joint committee and will operate as a dotted line, the functional line management and tasking of the seven oneSource services, Technology & Innovation, Legal & Governance, Finance, Exchequer & Transactional Services, Technical Services, HR&OD and Asset Management.

The Head of Assurance will also be line managed (dotted) and tasked by the Corporate Director and will have a direct access to that post at all times

This directorate will also manage all the Council’s shareholder interests and pension fund.

### **People, Policy and Performance Directorate**

***“Priority 6: An efficient and effective Council: making Newham Council work better for everyone”*** from the Corporate Plan is jointly led by the Resources Directorate and the People, Policy and Performance Directorate with a focus on different aspects.

The People, Policy and Performance Directorate will lead on:

- *Engage and empower our workforce to focus on improving outcomes for our residents*
- *Build and maintain effective relationships with partners including the health service, local businesses, and the police*
- *Improve communication between residents and the Council, ensuring that we are a responsive organisation and involving residents in decision making*
- *Own the digital strategy for the council*
- *Adopt a comprehensive and robust approach to equality and diversity in service delivery and as employers*

The Assistant Director Resident Engagement and Participation will ensure the engagement and participation of residents in all major decisions and policy development in addition to the activity supported through the citizens' assemblies. This post will own the professional function lead for engagement for the Council. This division will also own the physical front line and connection with our residents through the community neighbourhoods/ libraries function.

The Assistant Director Resident Services and Business Support will ensure the resident's voice and interaction is heard at the heart of the council, using the intelligence from interaction to drive our failure demand an improve services across the council. The new customer access strategy that is being developed will be vital for designing new front line access. If people are to be at the heart of everything the council does, it is vital that the front line interaction of the council with its residents is situated at the corporate core of the council.

The Assistant Director Policy and Performance will lead a new division with the current policy and public affairs function merged with the performance and research and data teams to adopt more of a social innovation lab / social action approach as well as providing a refreshed public affairs programme to respond to the campaigning features of the Mayor's and her administration's manifesto pledges. It will provide research and policy development for all Directorates to allow for consistency and coherence in approach, as well as support interdisciplinary working across directorates

The Mayor's office will form a part of this Office for basic support but its operation is solely accountable to the Mayor.

The time limited Director of Change will report to the Corporate Director People, Policy and Performance. This post will also be the professional lead for programme and project management in the council. The portfolio will cover all major change management activity and corporate programme management. This will oversee all major change within the council, culture, structure, diversity programmes, ICT major changes including the Oracle Fusion changes and the transformation and integration of adult social care services with health and Roots to Success, the improvement plan for children's social care services and the Ofsted Action Plan.

### **Chief Executive**

The Chief Executive will have 8 direct reports.

In addition the Chief Executive will have a reporting relationship with;

- the statutory post of Monitoring Officer.
- the independent chairs of the Children's and Adults Safeguarding Boards
- the Executive Director of oneSource shared with the Chief Executives of the London Boroughs of Bexley and Havering
- the Director of Public Health.

#### **4.2.23 Next Steps On the structure**

A detailed implementation plan needs to be drawn up following the decision of the Cabinet.

This plan needs to be in two parts.

- Mobilisation of the new structure , management of change actions and any new appointments and
- Managing the council between now and the new structure going live.

It is vital that the implementation plan and its activities are guided by the change drivers.

Staff have commented, even in this consultation that fully consulted everyone for the first time; that change still feels “done to” and “not done with”. There is a very deep legacy of mistrust and bad change management in the council and if we are to retain the “cautious optimism” the culture change workshops created, the next phase must be handled very carefully. This next phase must not be approached as a “business as usual” task as part of the HR function especially with the advent of a new Chief Executive and a very interim management team en-route to new permanent appointments. Dedicated additional HR support needs to be appointed to enable this to happen in the most effective and timely way possible.

A communications plan needs to be drawn up to keep staff informed, to inform residents about the changes for the first time and a new narrative needs to be commissioned about the council for the recruitment campaign.

#### **The overarching change programme**

Newham Council is embarking on a truly significant change programme both in terms of what it delivers and also how it delivers. The following areas outline some further elements of the change programme that will be managed by the newly constituted Change Programme Board.

##### **Values and behaviours consultation**

The culture change workshops discussed at length the behaviours and values of the current council and what was desired by staff to be kept and what had to change. This has been worked through further with staff and a final proposal will be brought to Cabinet by the new Chief Executive

##### **Culture change workshop priorities for change**

The culture change workshops also discussed at length what had worked well at Newham, that staff valued and wanted to keep, what had worked less well and they wanted to leave behind and what either needed to be fixed or built new from scratch. Each workshop then prioritised these and from that we have a list of actions that are being turned into a change programme. The detail of each of these is being

developed but it will cover such areas as:

- ICT systems investment and training
- ICT / HR / Finance systems improvements – 1Oracle
- Leadership and management development training
- Business Support
- Corporate Plan and Service Planning
- Partnership working development
- Communications improvements
- Process and Policy improvements e.g. performance management and recruitment

### **Equality and Diversity action plan for change**

There has been considerable feedback from staff prior to and during the culture change workshops on the total lack of any activity on equality and diversity. An interim specialist has been appointed who is working with a number of EDI staff volunteers to develop a programme of change.

This is initially focused at establishing staff support groups, improving data collection and monitoring and addressing equality impacts in the major HR processes and policies which are also being changed such as recruitment. The action plan following an assessment of the council against the national LGA Equality framework is due to be finalised and launched during May 2019 and then feed into the service plans for all services across the council.

### **ICT transformation programme**

There is a significant investment programme being planned for ICT in 2019/2020. The Intranet, Internet, CRM, Oracle and many other elements of our day to day systems need upgrading. These will not only make us more effective but must also yield some savings which are incorporated in the 2019/2020 budget. This work will form part of the change programme run from the People, Policy and Performance Directorate and to be corporately programme managed by the Director of Change. There is also an additional ICT and finance transformation required in 2019/2020 of moving the existing Oracle platform to Oracle fusion and a new implementation and training programme for staff implemented.

### **Follow on structural reviews**

It is intended that the structure will initially be implemented by a “lift and drop” process that will identify staff with a service area and then move their line management arrangements. In doing so, it may become apparent that further structure reviews may be needed in some areas. All areas that are altered will be subject to a lean review of their processes and operations to drive further efficiencies and must yield savings.

The following service areas will undergo a review following the Cabinet decision on these proposals.

- Review of Integrated Support Service
- Review of Homeless service approach to vulnerable individuals
- Review of Business support
- Review of financial support to all directorates
- Review of parking services
- Review of IAG / NEET arrangements and relationship to skills
- Review of Children's and Adults safeguarding arrangements
- Review of all age disability provision
- Review of disabled children's and young people's provision
- Review of transition from disabled young people's service to adults
- Review of communications
- Review of all commissioning and delivery management posts
- Review of LLFA and highways and transportation
- Review of workforce development and staff training

## **5 Alternatives considered**

The alternative proposals to these structure proposals is to either keep the structure as it currently is or to have different structure proposals.

A wide ranging consultation process has taken place and a number of changes to the draft proposals have resulted from that consultation which are now presented to Cabinet for final consideration and decision

## **6 Consultation**

### **6.1 Name of Lead Member consulted:**

6.2 Rokhsana Fiaz Mayor of Newham March & April 2019

### **6.3 Financial Implications**

The re-organisation of the Council proposed will see a change in the structure of the Council to reflect the Mayors priorities as set out in the Corporate Plan agreed by Council In March 2019.

The initial phase of the restructure will see the creation of new roles, a change in the grading of other roles and the deletion of other posts.

As a result some staff will be at risk of redundancy. In the event that any staff are made redundant, the cost will be met from the corporate redundancy reserve.

There are 36 posts within the existing structure effected by the first phase of which two are fixed term and funded by the Transformation reserve. Another post is part funded by Health.

The new structure proposes 34 posts, of which two are fixed term (The Director of Change is a two year fixed term post to oversee the Council’s modernisation programme and the Director of Service Improvement to address OFSTED related issues). Both fixed term posts will be funded from the Transformation reserve, and Health funding will continue to part fund a post.

The table below indicates an overall saving of £248k in the ongoing establishment costs based on all posts being filled at the top of the pay scale.

	<b>Current “as is” structure Posts</b>	<b>Current “as is” structure Salary cost £’000</b>	<b>Proposed “to be” structure Posts</b>	<b>Proposed “to be” structure Salary cost £’000</b>
Total	36	5,055	34	4,732
Less fixed term	(2)	(370)	(2)	(284)
Less Health funded	(0.5)	(65)	(0.5)	(76)
On going base	33.5	4,620	31.5	4,372
Base saving				(248)

The proposals for the rest of the reorganisation in respect of posts and grading will be determined as part of the next phase of the review.

The review aims to reshape the Council to reflect the aims and objectives of the Mayor as set out in the Budget agreed by Council in February 2019 and the Corporate plan.

This means the new structure should reflect the full impact of savings and growth agreed within the budget agreed in February. There is no reduction target within the agreed budget to be delivered by the re-organisation, although there is also no additional funding available. It is essential that the re-organisation has no detrimental impact on the General Fund budget.

The intention is to remain within the existing budget envelope.

Some roles are funded at full or in part via non general fund services. This also needs to be allowed for in the first and subsequent phases.

The Housing Revenue Account business plan agreed by Council in December 2018 did not reflect any impact of the re-organisation. The re-organisation includes a new Director of Housing, a post which would be significantly focused on the HRA. Any increased focus on Council tenants would also increase HRA costs. Both would need to be offset in part by reduced recharges from other areas of the Council which no longer have responsibility

for HRA related services. Any net increase in charges needs to ensure that the HRA remains viable with sustainable balances going forward. At this stage this remains the position. As the next phase of the reorganisation progresses, there will be a need to ensure this remains the case

#### **6.4 Legal Implications**

The Chief Executive, as Head of Paid Service, has power under s.4 of the Local Government & Housing Act 1989 to put forward proposals as to the structure and organisation of the authority's staff and the discharge of its functions, as set out in this report. The Cabinet has responsibility for agreeing the senior management structure of the authority. This power is delegated to the Chief Executive in the Scheme of Delegation but, given the significance of this decision and its emphasis on transparency, the Cabinet is being asked to make this decision itself (as it is able to do under the Local Government Act 2000 regime). If agreed, the implementation of the proposals will be undertaken in accordance with the Council's Officer Employment Procedure Rules in the Constitution.

The Council must demonstrate it has undertaken meaningful consultation on the proposals with those individual employees at risk of redundancy by the proposals to ensure any dismissal is fair under the ERA 1996. Due to the low number of staff affected, the statutory duty of consultation with recognised trade unions did not arise but the trade unions were consulted at the start and end of the process

It is evident from the report that significant and detailed consultation has taken place and specifically with those affected by the proposals. All consultation feedback was taken into account and responded to and a significant number of changes have been made to the original proposals reflecting feedback. The Council followed its Change Management Procedure during the consultation process. The formal consultation was preceded by informal discussion with a range of staff since August 2018. One minor issue is the short delay in the circulation of some documentation during the consultation period. However, given the detailed evidence of meaningful consultation and the level of response received, it is considered that any legal risk is low.

The Cabinet's duty is to take into account the consultation responses when making its final decision. In particular, Cabinet should consider the responses from those at risk of redundancy and take those into account.

The structure provides for the appointment of the statutory officers required by law and their reporting lines take into account statutory guidance. The failure to allocate Caldicott Guardian duties to a sufficiently senior post in the structure has been rectified.

#### **6.5 Equalities Implications**

There are no direct implications arising from these structure proposals. The

processes that follow the decision on the structure will fully concur with the HR policies of the council which are compliant with equalities legislation. Any redeployment or potential voluntary or compulsory redundancy situations will also be carried out in accordance with HR policies.

If it becomes apparent that a recruitment campaign is required to fill any vacant posts in the council's structure then a campaign to attract the broadest groups of applicants will be undertaken in order to address the diversity imbalance amongst the senior leadership of the council. Prior to the recent appointment of the new Chief Executive, the ethnicity profile of the top 5% of earners shows a significant disparity when compared to the workforce overall – where over 61% of the highest earners are from a White background compared with 38.5% of the overall workforce who are from a White background, and 27% of the highest earners are from a BAME background compared with over 50% of the workforce who are from a BAME background.

## **7 Background Information used in the preparation of this report**

### **7.1 None used**