

Report Title: **Review of Organisational Development and Learning Services**

Report of **Assistant Chief Executive (People and Organisational Development)**

Signed :

Contact Officer: Philippa Morris: Corporate Head of Organisational Development and Learning

Wards(s) affected: **N/A**

Report for: **[Key / Non-Key Decision]**

1. Purpose of the report

To present proposals for the re-organisation and refocusing of the council's Organisational Development and Learning function in order to deliver 50% budget reduction in back office services, and 35% budget reductions in what were ABG grant funding streams for social work and social care development. This delivers a total saving of £908k.

2. Introduction by Cabinet Member (if necessary)

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3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 The Organisational Development and Learning Service has responsibility for many of the principles and activities detailed in the Council's People Strategy. The People Strategy sets out our vision for our workforce: it outlines how the council plans to maintain and develop the workforce and the organisational culture we need to deliver the council's vision, values and strategic priorities. The service also manages key social work and social care development programmes; provides change management support to the council's transformation programmes; and designs and delivers targeted leadership development to new and aspiring managers (including black and minority ethnic staff who are unrepresented at senior levels of the organisation).

4. Recommendations

- 4.1. That the new Organisational Development service offer outlined at appendix A be noted;
- 4.2 That the staffing structure at appendix C is agreed taking into account the responses to formal consultation detailed in appendix E and having due regard to the Council's public sector equality duties.
- 4.3 That the Committee approves the revised structures attached in appendix C.
- 4.3 That the Committee note the savings levels to be achieved from the reshaping outlined in section 15.5.2
- 4.4 That the Committee notes the proposals outlined in this report represent phase one of the Council's Support Function Review of Learning, Development and Service Improvement – and that any further savings will be achieved through centralization and rationalization of these activities from within Directorates and the rest of the corporate centre.

5. Reason for recommendation(s)

5.1. The council and its workforce is entering a period of unprecedented change. The coalition's policy agenda combined with reduced levels of funding mean that the council has to fundamentally rethink services. The impact on our workforce will be enormous. The council will need to both drive and support the people aspects of change if it is to successfully reinvent itself, innovate and make change happen, achieve and perform and hold onto the commitment

and good will of our workforce.

5.2 A review of the OD services is required to reassess the function of service in the light of reduced budget provision and the need to both reduce and maximise its change and developmental resources to work on:

- Service and directorate reviews across the council – including a) support to staff leaving the organisation and b) support to teams in the post review period trying to make sense of new roles, responsibilities and ways of working within a reduced service base
- The development of the Management Role (behaviour; accountability and responsibilities; generic job descriptions) and retraining of managers to fulfil new responsibilities (including SAP related activities and budget management) in the wake of Support Function Reviews
- Major change programmes including Smart Working; move to more online access to services
- rethinking Creating opportunities for innovation and improvement (e.g. suggestion schemes; project working) and review of some of the council's major cross cutting processes e.g. budget management - and communicating and training staff accordingly
- Culture change: guiding and promoting an ethos of one council working and the behaviours that support this and the council's other values
- Developing the Children's and Adults workforce – specifically social workers (trainees, newly qualified, qualified, managers) and care workers.

The recommendations in this report are in line with the principles adopted in other such reviews and accord with the Council's employment policies.

6. Other options considered

6.1. Alternative options include – cessation of service; partnering with another local authority to deliver; further outsourcing to a market provider. Shared service options remain a possibility in the medium term, and will be the subject of further consideration. In order to deliver efficiencies within the current financial year, the recommendations at paragraph 4 are proposed.

7. Summary

7.1. The Organisational Development and Learning Services (OD and L) is currently organised as described at appendix A. The service provides support for:

- Employee development: including leadership development; team and individual coaching; graduate trainee schemes; development programmes for leaders of the future/BME staff; staff forums and events; skills for life programmes; as well as short courses in subjects such as customer care, managing change, MS office and safeguarding; and some partnership development;
- Change: supporting the delivery of new ways of working (desk sharing; home working); staff improvement and suggestion schemes; staff recognition schemes; employee surveys;
- Improvement: targeted people related support for identified services such as Children's and Families; Strategic and Community Housing
- Adults and Children's Workforce Development and Learning: including recruitment and development of Social Work trainees; newly qualified social workers; social workers and their managers; development of care workers across the social care sector in Haringey.
- Training and project support; including course administration and application management; change planning; e-learning support, and training reception management.

7.2 The budget for the service is proposed to reduce by 35% -50% with effect from 7st April 2011. It is necessary therefore to redesign the services that will be offered and to adjust the staffing provision accordingly.

7.3. A proposed service offer is attached at appendix A.

7.4 Currently 28 posts are funded in OD and L (20 are revenue funded; eight are funded via what were ABG funding streams). Under the revised offer it is proposed to reduce this resource to 14 FTE posts. The proposed structure is attached at appendix C. The current and future deployment of staffing resource is as follows:

Current resources		Proposed
Grade	Revenue funded posts FTE	Rev funded FTE
SM2	1	1
PO4-8	12	6
SO1-PO2	4	2
Sc	3	1
	ABG funded posts	
PO4-8	4	2
SO1-PO1	2	1
Sc	2	1
TOTAL	28	14

7.5. The process and timetable for reorganisation will be:

- 19th January – 25th January 2011 = informal consultation on proposals
- 26th January to 25th February = formal consultation on proposals
- 25th February = closing date for receipt of comments by staff and trade unions
- 4th March 2011 = Management to consider comments received and to provide formal responses to all affected staff and trade unions
- 10th March = GP committee for approval
- 28th March = interviews with ring fenced candidates
- 4th April 2011 = Outcome of selection processes to be notified to individuals
- By 11th April 2011 = Letters to employees confirming outcomes including issuing notice /redeployment

Methods of Recruitment to posts in the new structure

7.6. The proposals involve deleting 14 posts. The remaining structure provides 14 FTE posts. The Appendix E outlines the positions in the new structure by grade and number and the methods to be applied. As all the posts have changed substantially and the number of employees in post exceeds the number of posts in the new structure, the proposed recruitment method for most posts is by a series of open ring fences. This is with the exception of the following:

- OD Consultant – E-learning [PO4]: Assimilation proposed on the basis that the current post holder into position on the basis that the role remains unchanged.

Where individual employees in more than one ring fence they will be able to indicate their preferences and these will be considered by management as part of the selection process. In order to minimise disruption management also propose, where possible, to invite employees who are in more than one ring fence to attend interview once only; employees will then need to be assessed against the criteria set out in the person specification for all the applicable posts.

The recruitment process outlined above is subject to consultation and management will consider comments from individuals as well as formal comments provided by the trade unions.

7.9. Ring fences for recruit to stay will be provided as a part of the consultation.

8. Chief Financial Officer Comments

- 8.1 OD and L operates with a controllable net budget of £1.34 million. A savings target of 50% was set by CAB for back office services to address the shortfall in budget provision from 2011/12.
- 8.2 The proposals in this report generate a 50% reduction in full year revenue spend of **£670k (50%)**. A further **£238k (35% reduction)** will be achieved in reductions to what were ABG funding streams supporting social care workforce learning and development; and children's social worker trainee schemes and professional development programmes. The total saving are £908k.
- 8.3 It is proposed that the new working arrangements will be implemented from 11th April 2011. Certain of the changes will be achieved by the deletion of posts and some will involve recruit to stay, resulting in a range of timescales to achieve the required budget reduction.

9. Head of Legal Services Comments

- 9.1. The Head of Legal Services has been consulted on the content of this report. As indicated at Recommendation 4.2, the outcome of statutory consultation should be taken into account by Members in reaching a decision concerning the proposed staffing structure for the Organisational Development service. Similarly members should have due regard to the Council's public sector equality duties in reaching that decision, taking account of the data and other matters set out in the attached initial Equality Impact Assessment. The arrangements for selection of staff and the consideration of the position of staff displaced should comply with the Council's policies and procedures regarding organisational change, redeployment and redundancy.

10. Equalities & Community Cohesion Comments

- 10.1. The proposals have been the subject of an initial Equality Impact Assessment. The assessment is attached at Appendix F.
- 10.2. The Council's arrangements for organisational restructure ensure that selection for the revised staffing structure is based on merit. The process of assessment is a mix of current employment record, assessment against future job, and general skills analysis. Using a mix of assessment techniques is generally recognised as the most objective form of selection. Once selection is complete the EIA can be completed and impact fully assessed.

11. Consultation

- 11.1 The proposals in this report were the subject of individual and informal staff consultation. A period of formal consultation was undertaken with staff and their representatives between 17th January and 25th February 2011. The Council's recognised trades unions were informed of the review and kept apprised of progress to date. Consultation on the restructure included two meetings with staff and the ACE and Head of Service, a workshop for staff and their Union representatives – plus submission of many written questions and observations.

The results of consultation with staff is detailed in Appendix F.

Consultation with managers and staff who either use or deliver OD, change, professional development and service improvement functions was also carried out to inform the proposals set out in this report. The Corporate Head of OD also interviewed some twenty managers and staff about how the council can support change and service improvement functions in the future and at a reduced cost as part of the Support Function Review of OD, Change and Service Improvement.

12. Use of appendices /Tables and photographs

- Appendix A = revised service offer
- Appendix B = current OD and L structure
- Appendix C = proposed OD and L structure
- Appendix D = future OD and Change roles and grades and recruitment methods to the new structure
- Appendix E = responses to formal consultation with OD and Learning staff.
- Appendix F = initial Equalities Impact Assessment

13. Local Government (Access to Information) Act 1985

14 Background

14.1 This paper sets out proposals for a proposed model for the future operation of a reduced organisational development, change, and learning and development function.

The proposals:

- Deliver savings in the central OD and Change budget of £670k (50%) in OD staffing and training budgets (against a 50% savings target set by CAB)
- Deliver additional savings of £238k (35%) in what was ABG spend on Adults and Children's social work trainee schemes, professional development and social care workforce development and change programmes

14.2 Changes will be delivered by:

- Refocusing the work of the service to support Organisational Development, change and transformation.
- Deleting 15 posts in the OD and L function and reducing spend on learning and development activities and schemes.
- Flattening the structure of the new OD and Change service and increasing our flexibility by working in a matrix - allocating staff to agreed HESP, cross cutting or service specific workforce and change projects and priorities.
- Creating a network of those service improvement/change managers located in Directorates – developing a service improvement job family and jd's; maintaining a strategic overview of the deployment, activities, skills, capabilities and development needs of post holders
- Continuing to facilitate change at the level of the individual, team and organisation

14.3 What we will stop doing:

- Let go of our Investor in People status and stop ...
- Graduate recruitment– both generic graduate trainee scheme (8 per annum) and social work trainee schemes (8-10 per annum)
- Aiming High/Leaders of the Future development programmes for aspiring managers (approximately 15 pa – with a 50% target for BME / women participants)
- Institute of Customer Services Awards
- Annual Achievement Lunch and Awards ceremony
- Skills for Life programmes
- Add hoc internally delivered awayday facilitation
- Reduced numbers of open access courses and tailored short courses
- Internal short course programme delivery – we will commission 90% of courses and programmes

- Council wide coaching and mentoring programmes
- Qualification programmes including those for Institute of Leadership and Management (ILM) and computer skills (ECDL).

14.4 We will continue:

- to work closely with other parts of the Chief Executive's Service – to support the transformation / change agenda working closely with colleagues in HR; Policy and Performance; Communications; and the Haringey Efficiency and Savings Programme (HESP).
- to develop the skills and focus the activities of Directorate based staff working in Service Improvement and Workforce development roles.

14.5 In the medium to longer term we will seek to:

- Centralise within OD those directorate based resources allocated to service improvement; SAP training; staff events and engagement; and competency based training in areas such as customer focus, equalities, management development.
- Take over responsibility for commissioning short courses for members
- Centralise (within Communications) resources for internal comms.
- Seek to change funding arrangements for professional qualifications. We would do this by providing loans rather than directly funding staff who wish to study for a university or professional qualification. This could be administered in much the same way as we support staff travel loans.

15 Risks

In other London boroughs it has been agreed that HR/OD services will not be reviewed until 2013 or later, e.g. Lewisham, Hackney, Harrow, Ealing, Greenwich, Islington, Camden. London borough metrics show that for HR/OD services in 9 other councils the average number of HR/OD staff to employees is 1:50. The current ratio in Haringey (excluding pensions and schools) is $[4700/79.7] = 1:59$. This is very favorable.

The proposed cuts will have a significant impact on our staff and their ability to access training and development. The Council's training and development offer is highly rated. Good opportunities and investment in staff development was cited by some 90% of staff as the second most important reason for working (and staying working) in the council in the 2010 staff survey. Training is something that few organisations can afford not to offer. It is an "expected" item of investment and highly valued by employees.

The proposed cuts pose a risk to levels of staff engagement, commitment and willingness to go the beyond the extra mile. Research by the Institute of Employment Studies found that developing the skills and competence of the workforce is the most important factor in making employees feel valued, engaged and committed to the organisation they work for. There is a strong correlation between high levels of staff engagement and excellent council performance. Engaged employees work harder, have lower levels of sickness and are less likely to leave.

The reduction in funding for staff development and learning will also mean that as a council we are less able to:

- improve the skills, knowledge and behaviour (competencies) our staff need to deliver the council's priorities and work in new ways
- bridge identified skills and knowledge gaps required to improve performance – particularly skills for life (i.e English as a foreign language and literacy and numeracy programmes)

- ensure that everyone in the council has equal access to the learning and development they need to do their jobs better.
- the outlined cuts will also reduce the service's capacity to support change and capacity building in a) Adults (personalisation) b) Children's workforce (trainee schemes; capacity building) and c) safeguarding awareness.

16. Budget and Staffing Reductions

	Current establishment and training spend				Future establishment and training spend based on 50% reduction
	Staff No	Staff Budget	Training & prog. budgets	TOTAL	
A) ODL Function (revenue)					
• Employee development					Staffing: 10 FTE (50% reduction in FTE)
• Change					Staffing budget: £518k
• Management, • Training Administration • & Project Support					Programme budget £152k (68% reduction)
Total (ODL Revenue budget)	20	£940K	£401K	£1341k	Total Budget: £670k (50% reduction)
					Future Adult's and Children's social work/care development based on 35% reduction
B) OD ABG					
• Children's and Adult's social work/care sector dev					Staffing: 4 FTE (50% reduction in FTE)
					Staffing budget: £172k
					Programme budget £270k (65% reduction)
Total (OD ABG)	8	£268k	£411k	£680k	Total Budget: £442k (35% reduction)
Total	28				

Appendix A

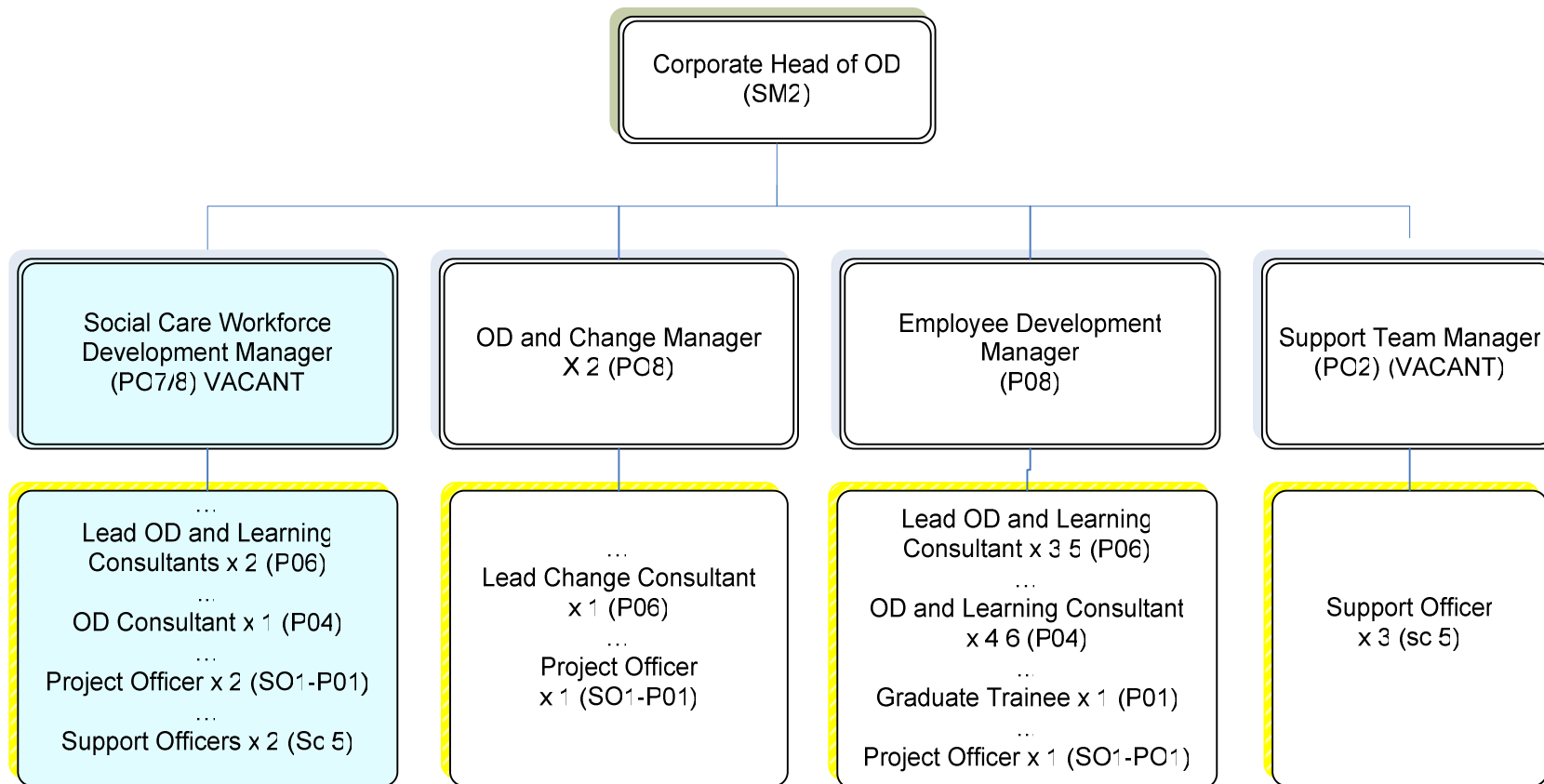
Revised Service Offer: Functions of the new OD and Change Service

The new OD and Change service's primary goal will be to increase the ability of individuals, groups or organisations to innovate and collaborate across professional and organisational boundaries – to find efficiencies and more effective ways of serving the public. The key functions of the service:

- **Organisational Development and Change:** providing a high-level and cross cutting approach to support organisational change, efficiency and the HESP. The leads in this area will lead initiatives and activities that support the move to a smaller, more flexible organisation ensuring we make the most of our workforce, its health and effectiveness, and its' capacity to innovate and handle and sustain change in the future.
- **Social Work and Social Care development:** providing targeted support and development of social workers (trainees, newly qualified; qualified; managers) and care workers (across the sector). The leads in this area will also support the transformation of adults social care and ensure that single agency safeguarding /child protection training is targeted and effective.
- Development of a **Service Improvement and Workforce Development Network:** ensuring effective deployment, activity and development of service based improvement / workforce development staff in order to better shape and deliver change; identify opportunities for greater partnership/sector working; facilitate local process reviews, improvements and savings.
- **OD and Training Support and Commissioning;** staff working in these roles will support the delivery of OD and Change programmes, activities and events.

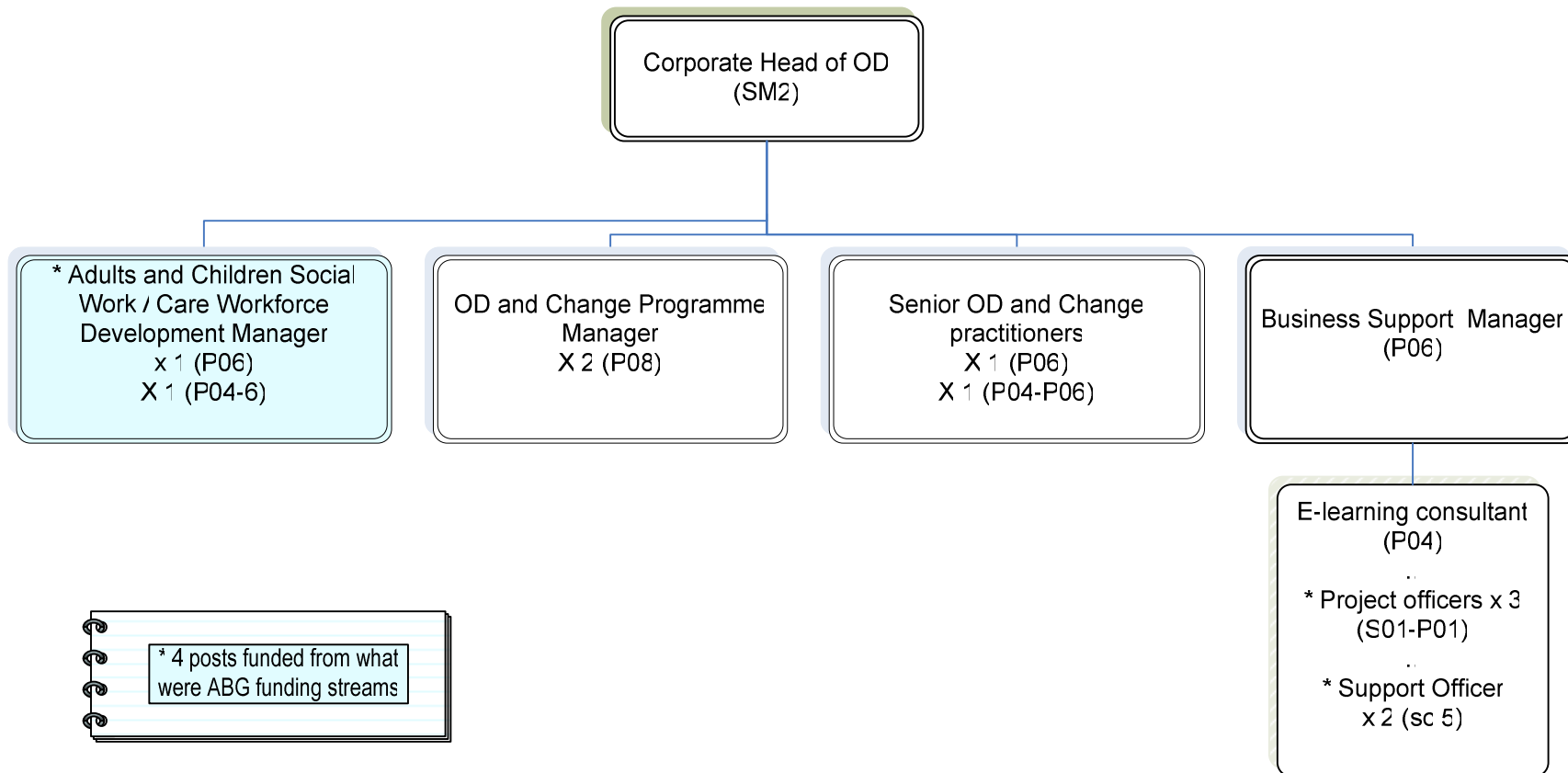
Outcomes	Functions and Activities
<ul style="list-style-type: none"> • Prepare staff for the changes ahead (whether staff are staying or leaving the organisation) • Create a leaner, more flexible, and skilled 'fit for the future' workforce focused on outcomes that meet community needs • Build management capacity to lead change – and manage and develop their staff • Encourage innovative thinking and lean customer focused processes in order to achieve outcomes in a more efficient way • Promote an organisational culture in which respect for each other, trust, co-operation and individual and team achievement are all evident and valued • Seek to deliver savings whilst maintaining levels of staff engagement • Make the most of the energy, skills and commitment of our staff and their ability to be productive (effort and engagement, not simply attendance) 	<ul style="list-style-type: none"> • Provide OD and Change support to the HESP • Plan OD and Change approaches and activities to facilitate change • Coach, challenge, develop and advise on people aspects of change • Workforce surveys • Design and facilitate forums, workshops and events to support change • Coordinate and commission experts (internal and external) to support change / efficiency • Develop and drive people/ workforce strategy • Design programmes/tools and policy to develop the skills and competence of the workforce as a whole, as well as that of a) managers b) key professional groups including social workers, care workers • Manage staff suggestion schemes and improvement forums • Design and manage staff development and learning initiatives – including skills programmes /e.learning; talent development; safeguarding awareness; induction • Facilitate partnership working between sectors; agencies; and professions

Appendix B: Current Structure of the Organisational Development and Learning Service



28 Posts

Appendix C: Proposed Structure of the new Organisational Development and Change Service



14 Posts

Appendix D: future OD and Change roles and grades and recruitment methods to the new structure

Future OD and Change Service	Role	No and Grade	Approx costs incl on costs
Corp Head of OD	Strategic service management; develop and deliver the council's people and change strategies; workforce development and management;	SM2 x 1	£90k
OD and Change Programme manager	Responsibility for change planning and delivery across the HESP including cross cutting process reviews; improvement and innovation; new ways of working. Responsibility for culture change programmes including leadership and management development; employee engagement; partnership working	PO8 x 2	£120k
Senior OD and Change practitioners	Retraining of mangers to fulfil new responsibilities (including SAP related activities and budget management) in the wake of Support Function Reviews Process reviews and the 'leaning' of some of the council's major cross cutting processes - and communicating and training staff to comply with them. Workshop design and facilitation; employee surveys; events management and staff communication; programme management; coaching	P06 x 1 PO4-6 x 1	£112k
Business Support Manager	Resource planning; support staff management; change planning; programme commissioning; performance management/reporting.	P06 x 1	£56k
OD and Development Consultant	E-learning; development of online learning systems; IT training;	PO4 x 1	£45k
Project officers/ Graduate Trainee	Project and programme monitoring and support; maintenance of the Learning Zone; trainee and scheme support; set up and maintenance of information systems and performance reporting; assist with contract and budget management; team communications	SO1-P01 x 2	£70K

Support Officers	Administrative support to training programmes; facilitate smooth running of DLC and other training venues; promote, advise upon and administer courses and programmes, events and activities to council staff and external agencies.	Sc5 x 1	£25k
TOTAL		10 posts	£518k
SOCIAL WORK / SOCIAL CARE (FORMALLY ABG FUNDED)			
Children's social work development manager	Lead on and provide expert advice to C&F staff on all aspects of children's social work development; ensure that L&D meet the requirements of the GSCC to demonstrate professional competence; support identified groups of social workers in their professional development ensuring that learning needs are appropriately identified and addressed.	P06 x 1	£56k
Adults' social care sector development manager	Lead on and provide expert advice to Adults social care managers and staff on social care sector development and personalisation; ensure that L&D activities meet the requirements of the various care standards/professional competence; support identified groups of social workers in their changing role ensuring that learning needs are appropriately identified and addressed.	PO4-6 x 1	£56k
Project officers	As above	SO1-P01 x 1	£35K
Support Officer	As Above	Sc5 x 1	£25k
TOTAL		4 posts	£172

Appendix D

future OD and Change roles and grades and recruitment methods to the new structure

Position	Grade	Recruitment method
OD and Change Programme Manager x 2	PO8	Open ring fence to Employee Development Manager and OD and Change Manager (P08)
Senior OD and Change Practitioner x 1	PO6	Open ring fence to all lead OD/Change Consultants (P06)
Senior OD and Change Practitioner x 1	P04-6	Open ring fence to all lead OD/Change Consultants (P06) and OD and Learning Consultants (PO4)
Business Support Manager x 1	PO6	Open ring fence to all lead OD/Change Consultants (P06)
Adult's Social Care Workforce Development Manager x 1	PO4-6	Open ring fence to all lead OD/Change Consultants (P06) and OD and Learning Consultants (PO4)
Children's Social Work Development Manager x 1	PO6	Open Recruitment to Social Work qualified staff within the council
OD Consultant - E-learning x 1	PO4	Assimilate existing e-learning consultant
Project Officers x 3	SO1-PO1	Open ring fence to PO1 Project Officers and Graduate Trainee
Support Officer x 2	Sc 5	Open ring fence to all Support Officers Sc 5

Appendix E = responses to formal consultation

Appendix F = initial Equalities Impact Assessment