



OVERVIEW AND SCRUTINY COMMITTEE

Subject Heading:

Target Operating Model

ELT Lead:

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Policy context:

This report provides an update on the November 2022 Cabinet report on the proposed TOM in the Board papers and to share how the proposed structure compared was actually implemented. It also shares the impact of the senior management restructure and what benefits residents will see as a result of the TOM.

SUMMARY

This paper considers the November 2022 Cabinet report on the TOM in the Board papers and seeks to scrutinise if there were any changes in the proposed structure compared to what was actually implemented. It also shares the impact of the senior management restructure and what benefits residents will see as a result of the TOM.

As a reminder the purpose of the November 2022 paper was to outline recommendations from the Chief Executive, the statutory Head of Paid Service, for a realignment and consolidation of the Council's organisational structure to reduce the number of separate and distinct Departments, to coordinate complementary services with clear synergies, to enable effective delivery of the Council's key priorities as well as build on the changes and learning from responding to the Covid-19 pandemic and create a modern, dynamic and flexible organisation to meet the challenges of the future.

The changes in the organisation structure were coupled with a corresponding realignment of responsibilities of the current Senior Leadership Team within a revised Senior Leadership structure which ensured resilience and maintains senior level capacity to support elected members, and to lead and deliver our key strategic priorities. The proposals were set against the backdrop of very tight and challenging financial circumstances, in the short to medium term.

At the time of the proposals there were no increases in senior leadership posts or overall management costs. The paper shares the current status in numbers and it should be noted that a review of the Resources structure will be undertaken as the Strategic Director of Resources who was appointed in August 2023 has now had an opportunity to consider the future requirements capability and capacity that will be needed to deliver financial stability and the corporate plan outcomes from within their directorate.

The report shares the benefits that have been achieved to date through the revised organisation structure and associated target operating model activity and the opportunities still to be realised. Detail is in the appendices and summary in the main body of the report. The target operating model activity is within the accountability and performance objectives for the Strategic Directors to ensure that this is realised.

RECOMMENDATIONS

it is recommended that:

The structure that has been implemented is noted in its thematic format delivering the ongoing benefits of collaboration and integration that will support the success of the target operating model and create the capability and capacity within our challenging financial circumstances to best deliver our corporate plan.

In the cases of Resources there is an opportunity to further evolve the structure to ensure it has the optimum skills, capability and capacity now that we have completed the majority of the OneSource split and have clarity on what is needed to manage finances and enable service delivery. Any changes will be achieved within current budget envelope

Any further evolution of the structure as the phases are progressed, the CE or his nominated lead will commence consultation with the affected staff and Trade Unions and will be agreed by the CE in line with delegations set out in the constitution. Following the change management protocol and that delegated authority is given to the CE to undertake a competitive interview process for internal candidates all of whom will have previously been appointed by the appointments panel, and that a recommendation is made to the Appointments Committee for ratification.

REPORT DETAIL

1. Design Principles

1.1 The aim of the Target Operating Model (TOM) was to realign and consolidate the Council's organisational structure, reducing the number of separate and distinct Departments, aligning complementary services with clear synergies, to enable effective delivery of the Council's key priorities. There was also the

opportunity to build on the changes and learning from responding to the Covid-19 pandemic, creating a modern, dynamic and flexible organisation to meet the challenges of the future, and to enable wider integration with the new Health system.

1.2 The design principles followed are set out in Appendix A but were under three categories, how we work for the Borough, how we work for the Council and therefore what that meant for the structure. This was and still is predominately about cultural change and that led to making sure the Councils services were structured in the right way to achieve it.

2. Summary of structure as proposed in November 2022 and in current format

2.1 Appendices B shows the structures charts and in the table below is a summary of the roles as proposed in Nov 2022 and the structure and roles as it exists at March 2024. Whilst there are an additional 2 roles in People Services, these have been added since Nov 22 to support the leadership of our response to the Ofsted improvement plan.

2.2 Across the rest of the tier 1 and 2 structure there is proposed reductions in Place of an Assistant Director role and a review of Resources with an Assistant Director role that has been vacated not being replaced and a further review to ensure best efficiency across the leadership team. With the OneSource split savings have been made where Director roles for example in Assets and HR&OD have been reviewed and aligned to Assistant Director roles.

Structure	Roles at Launch shared in November report and implemented April 23	Current as at March 24	Difference	Notes
People	Strategic Director of People Director of Starting Well Director of Living Well Director of Ageing Well Assistant Director Safeguarding Assistant Director Social Care – AW Assistant Director People –	Strategic Director of People Director of Starting Well Director of Living Well Director of Ageing Well Assistant Director Safeguarding Assistant Director Social Care – AW Assistant Director People –	2 Additional roles	Additional roles reflecting Council priorities around integrating social care in Living Well and in supporting the requirements of the Ofsted Improvement plan and are up weighting

	Housing Demand Assistant Director – Education Assistant Director Social Care - SW Principal Social Worker	Housing Demand Assistant Director Living Well Assistant Director – Education Assistant Director Early Help and Partnerships Assistant Director of Social Care and Corporate Parenting Principal Social Worker		Head of roles which have been deleted in the case of Starting Well
	10	12		
Place	Strategic Director of Place Director of Housing and Property Director of Planning and Public Protection Director of Environment Assistant Director Regeneration and Place Assistant Director Housing Property and Assets Assistant Director Housing Operations Head of Inclusive Growth Assistant Director Planning and Public Protection Assistant Director	Strategic Director of Place Director of Housing and Property Director of Planning and Public Protection Director of Environment Assistant Director Regeneration and Place Assistant Director Housing Property and Assets Assistant Director Housing Operations Head of Inclusive Growth Assistant Director Planning Assistant Director of Public Protection Assistant	Same number of roles	Increase in AD role to reflect capability and capacity required in Planning and Public Protection Reduction in AD role in Environment proposed to reflect opportunity for efficiency and improved operating practices and TUPE to Urbaser

	Environment 9	Director Environment (anticipate we will remove from structure) 9 with removal of AD Environment		
Resources	Strategic Director Resources Director of Finance Assistant Director Finance, People and Place Director Havering Place Based Partnership Assistant Director IT, Digital and Transformation Assistant Director Innovation Director Customer Services Assistant Director Customer Services Assistant Director Bereavement and Registration Services Director Public Health Assistant Director Place Assistant Director People Assistant Director Resources Assistant	Strategic Director Resources Director of Finance Assistant Director Finance, People and Place – will not be filled when current incumbent leaves Director Havering Place Based Partnership Assistant Director IT, Digital and Transformation Assistant Director Innovation Director Customer Services Assistant Director Customer Services Assistant Director Bereavement and Registration Services Director Public Health Assistant Director Place Assistant Director People	Same number of roles outside of OneSource despite split with roles being absorbed in number	Reduction in AD in Finance Roles in Integrated Health part funded and as expected Increase in Assistant Director HR&OD due to OneSource split but reduction in cost as Director role deleted Increased numbers in ICT OneSource due to stabilisation and return process. These roles will reduce to one post-split saving costs, likely end 2025 Increase in Assistant Director Exchequer and Transactional Services to focus on

	<p>Director Insight, Policy and Strategy</p> <p>Total 13 roles</p> <p>One Source roles in place in April 2023 Finance, Director of HR & Organisational Development, Director of ICT Head of Performance, Policy and Programmes Director Asset Management Director Legal and Governance, and Deputy Director of Exchequer and Transactional Services Head of Audit and Assurance, Jeremy Welburn 9 roles</p> <p>COO structure AD Customer and Communications</p>	<p>Assistant Director Resources Assistant Director Insight, Policy and Strategy Assistant Director HR&OD Total 13 roles</p> <p>One Source roles post-split and ongoing</p> <p>Director of Exchequer and Transaction services Director of ICT for stabilisation and Director for Havering acting as Client Director (Havering only) Director Legal and Governance and Deputy Director of Exchequer and Transactional Services and Assistant Director</p> <p>7 roles</p> <p>CEX Office Head of Communications and Engagement</p>	<p>Reduction in 2 roles and associated cost reduction with OneSource split</p> <p>No change</p>	<p>improved service delivery Other roles all absorbed in Havering Council structure</p>
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2.2 to support the effectiveness of the organisational structure work has progressed on how we best transform our organisational culture and the following work has been done to support this:

- Leadership development programme with our executive leadership group coming together to develop their leadership skills including a 360 questionnaire to align their focus and to act as a group in the way they collaborate and behave
- Several Let's Talk meetings have happened that cover the rationale for the TOM, our workforce strategy, our culture, performance management and engagement.
- We introduced a learning system that has improved the completion of mandatory training completion and will improve our performance review process for all teams as well as providing a strong link to improved workforce planning and skills and apprenticeship development opportunities.
- Our career website has saved us significant money on agency costs for any external senior recruitment.
- Intranet improvement and CRM development for our residents
- Engagement surveys have happened and associated action planning including a focus on leadership visibility
- An agreed set of performance focuses and a refreshed corporate plan that is being shared through all manager conferences that completed on the 7th April 2024
- Improved governance and a refresh of our council constitution. This has also included a weekly recruitment panel.
- Our turnover of staff has reduced over the year as a percentage from 12.5% to 9.3%. Our headcount including agency has reduced by 170.

3. Financial summary

3.1 The costs of the revised structure remain as committed within the original budgets before any pay awards which are funded corporately.

4. Benefits realised

4.1 An internal team was created that consisted of leads from each Directorate and a programme team that focused on ensuring that teams were aligned under the People, Places and Resources structures and that post the creation of the tier 1 and 2 structure we realised the anticipated benefits of the new organisation structure. The focus was on improved ways of working, collaboration, removal of duplication and process improvement. This team having completed the key priorities around alignments and benefits have now disbanded and the work that is ongoing is now within the accountabilities of the Strategic Directors and their Target Operating Model leads who will ensure activity remains co-ordinated. The skills they gained on this project are now being used on other projects.

4.2 Benefits which we have seen as part of the work to date and which will benefit our residents is detailed in the appendices and a summary of these benefits are:

4.3

Benefit Type	Title	Description
End User Experience Improvement	Customer experience improved for those children/families transitioning to adult services	Through the creation of an All-Age Brokerage Service Complex Placement officers will be able to support children with a planned transition into Adults services, providing a consistent contact for families, with in-depth knowledge of the needs and requirements of the individual to ensure services are prepared and in place to aid a smooth transition. To also be able to work with them in their adult life too when placements may need to change to meet their future needs
End User Experience Improvement	Balanced Scorecards	Where services had a useable balanced scorecard, a slide presentation was developed for service plan information aimed at their teams
End User Experience Improvement	Cross Council working to improve customer experience	Customer Experience Strategy to be implemented across whole Council will impact positively on support teams with consistency of process including the use of AI
End User Experience Improvement	Improved customer experience	Bringing together of the teams will improve customer experience as staff will be able to advise residents on a range of options

<p>End User Experience Improvement</p>	<p>Improved customer service at the Town Hall Reception</p>	<p>Able to better design an appropriate customer service offer at the Town Hall through data capture and analysis of throughput and types of enquiry and by having a fully staffed team sitting under Customer Services that can benefit from their knowledge, training and approach to customer services</p>
<p>End User Experience Improvement</p>	<p>Improved security at the Town Hall Reception</p>	<p>Safer environment for workers and visitors by applying the same security approach in the Town Hall reception as in the Appointment Centre</p>
<p>Process Efficiency Gain</p>	<p>Improved processes and practices</p>	<p>One of the work packages that will be implemented and delivered as BAU by service leads will be to review and refine current processes. I.e. All-Age Quality team will develop clear processes for quality assuring Children's and Adults providers. Children's quality processes are immature in compared to Adult quality assurance. There is also limited use of digital technology which will be explored to help gain time efficiencies within processes</p>
<p>Process Efficiency Gain</p>	<p>Audit of Governance meetings</p>	<p>An audit of meetings has been delivered based on data from stakeholders. This mapping data is categorised into individual themed areas, cross-themed, corporate and Members and should enable senior managers to decide on the validity and necessity of current meetings taking place across the organisation and the cost to the Council.</p>

Process Efficiency Gain	Long term process and system change	Discovery discussions with stakeholders from key areas such as Legal and Governance, Audit, and Procurement looked at current 'As Is' process and systems along with an idealised version (dream) which led to potential actions to take forward for long term process and system change, linking in with external influences where possible.
Process Efficiency Gain	Workshops	Two in-person workshops delivered which facilitated the co-production of actions and strategic priorities to inform a Commercial Board proposal. This sets out the terms of reference and resources required to deliver the aims and goals of the Commercial Board which includes the creation of a cross-cutting Commercial Strategy.
Process Efficiency Gain	Single view of debt	Proposals to develop a 'single view of debt' from data within the Data Warehouse and high risk services (e.g. parking) which helps provide a holistic understanding of a debtor's profile, circumstances and vulnerability.
Process Efficiency Gain	Cross Council service redesigns	Mandated directorate service redesigns will create specific roles with specific functions that will place support staff at the heart of service delivery
Process Efficiency Gain	Improved processes	Bringing together of the teams will provide consistency of process across the service, and provide improvements in maintenance of customer databases
Process Efficiency Gain	Cost savings	Improvement in processes will lead to greater efficiency in cleansing databases, which will ensure we are only paying for badges / passes that are

		in use
Quality Improvement	Increased flexibility in team resources	Delivering a training programme to upskill team to work across multiple areas of the All-Age Brokerage team and All-Age Quality Team
Quality Improvement	Increased data intelligence to inform future commissioning plans	Through increasing the use of digital platforms and resolving current systems raised by JCU teams it is anticipated that there will be an increase in data intelligence to help inform future commissioning plans.
Quality Improvement	Lack of vision hinders service planning	The work highlighted the lack of senior managers actually in post, new to post, grappling with competing priorities and/or lifts and shifts taking place which meant that many directorate and service areas did not know or have the capacity to create their vision and therefore service plans and a need for this to be addressed.
Quality Improvement	Commercial Financial Analysis	An in-depth analysis of income collection via commercial activities was delivered and shared with stakeholders along with an invitation to work with the TOM Business Analyst to develop a narrative for each service.
Quality Improvement	Income and Debt Board	Discovery discussions with stakeholders highlighted a lack of corporate grip on the Council's overall debt position. Information and documents were gathered from a previous successful Income and Debt Board disbanded in 2020 with a view to re-establishing this to provide a centralised view of activity.

Quality
Improvement

Income and Debt
Collection Survey

A comprehensive survey to service managers via the Finance Business Partnering team to determine which services are income collecting, their processes, systems and resources and their level of debt at a single point in time. Analysis has now taken place and delivered of the 66 service areas who responded.



5. Ongoing work

5.1 We have identified some further ongoing work that will help us to continue to realise further benefits both internally and externally in the way we work together as a team and also how we serve our residents and customers. The proposed opportunities we are seeking to deliver are as below. In addition, within the balanced scorecard for 24/25 is “Percentage satisfaction rates for users of our contact centre services” A new tracker system has been introduced to address complaints, understand feedback from public consultations and put in place any required actions to solve root causes and prevent recurrences. We also have central oversight of consultation and engagement activity in one place. We have become members of the ICS to ensure we are benchmarking our services and understanding best practice.

People

Overall Integrated service design across all People services
Home to School Transport
Starting Well – Ofsted related improvement plan

Place

Place synergies service design
Building Safety
Void and Letting process
Planning policy and Timeframes review
Implementation of new food waste collection regulations 2025
Improvement in process complaints and member’s enquiries and FOIs
Reviewing procurement processes
Completing any outstanding OneSource integration

Resources

PMO Change Delivery
IT, Digital and Data Transformation
Customer service design and measurement
System support teams
Phase 2 wider commissioning
Finance service redesign

Cross Cutting Council improvement activity

Work on improving our:
Income collection – reviewing any process and system improvements opportunity and implementing plan

Debt recovery - reviewing any process and system improvements opportunity and implementing plan
Marketing functions and leveraging all capacity and capability
Creating a commercial board to focus on income generation
End to end recruitment process to enable us to recruit and on board people quickly and as part of our agency reduction plan reduce our numbers needed for contingency work

IMPLICATIONS AND RISKS

Financial implications and risks:

Continue to operate within existing staffing budgets, but after the years of austerity and delivery of savings and efficiencies alongside growing demand and public expectation coming of the pandemic that it is of no surprise that services continue to be stretched.

Legal implications and risks:

There are no specific legal implications arising directly from this Report.

Human Resources implications and risks:

Any further changes needed at either Head of Service or support staff levels will be managed in line with delegated powers and statutory consultation will take place with relevant staff as required, following the Council's normal policies and processes.

The establishment of or changes to posts within the Senior Leadership Team is a matter for Council consideration. The appointment to such posts is a matter for the Appointments Sub Committee, although where there is competition for internal posts, it recommended that this delegation be giving to the Chief Executive.

Equalities implications and risks:

Havering has a diverse community made up of many different groups and individuals. The council values diversity and believes it essential to understand and include the different contributions, perspectives and experience that people from different backgrounds bring.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;

(iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The council demonstrates its commitment to the Equality Act in its decision-making processes, the provision, procurement and commissioning of its services, and employment practices concerning its workforce. In addition, the council is also committed to improving the quality of life and wellbeing of all Havering residents in respect of socio-economics and health determinants.

The EQHIA form was shared in the November 2022 papers and should any further changes occur that result in an impact on people this will be revisited with a further EQIA that will be completed.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS
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none relating to this report

BACKGROUND PAPERS

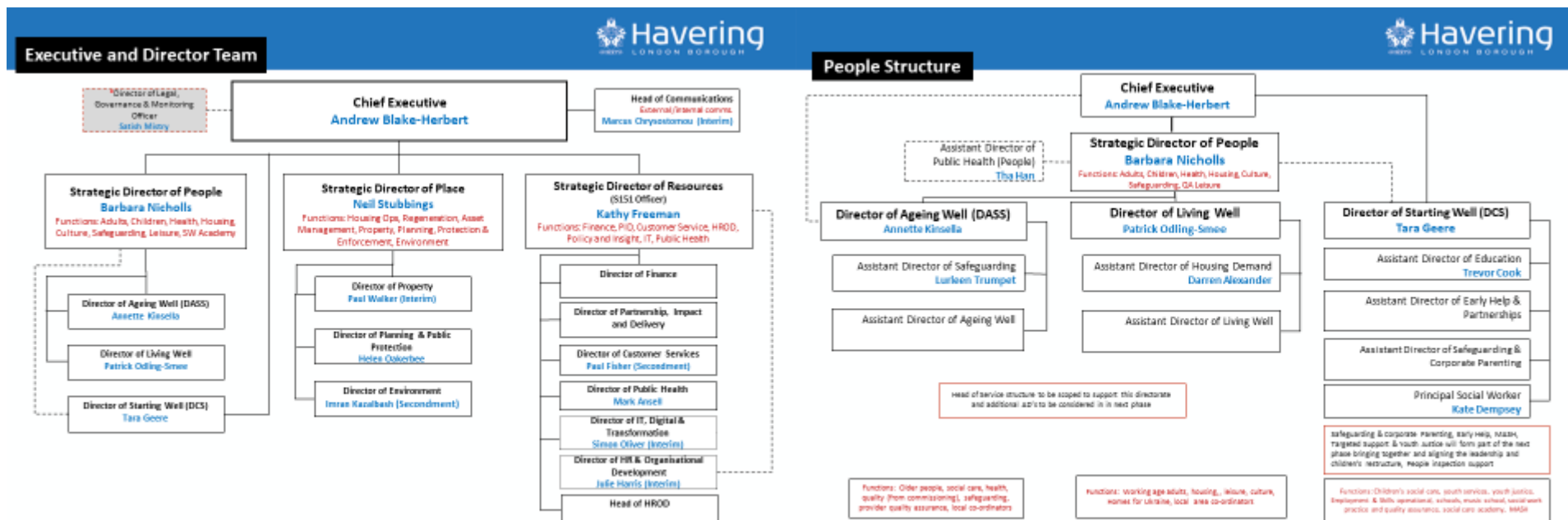
Appendices:

- **A – Target Operating Model Design Principles**
- **B – Structure Charts at March 2024**

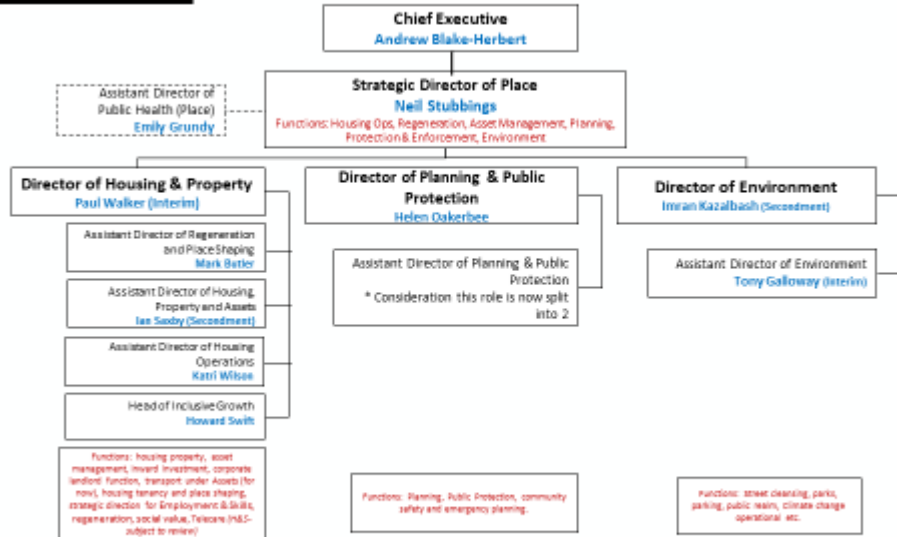
Target Operating Model Design Principles

Target Operating Model Design Principles		
How we work for our Borough	How we work together as a Council	What this means for our structural design
<ul style="list-style-type: none"> • Clear strategies which support the needs of residents, businesses and members • Customer services which effectively delivers good quality, value for money, consistency, is fair and equitable for all, where every customer counts • Opportunities for co-producing and collaborating with our residents, partners and wider communities are maximised • Create a positive impact across our borough by engaging and listening taking into account the diversity of needs • Proud to work alongside our partners and volunteers for the benefit of our residents • Sustainability and climate change is central to our decision making • Invest in our places, communities and employability skills to future proof Havering's stability and growth • Impact, delivery, experience and value is measured by managing risks, adherence to statutory responsibilities without stifling innovation and pace 	<ul style="list-style-type: none"> • A golden thread runs through our vision and strategy embodying our culture and values • Create and operate practical processes that are digital first, lean, efficient and easy to use • Clear lines of necessary governance inform the processes and standards to which we do things and are known and adhered to in our decision making • Well thought out evidence led decisions using data and technology with an emphasis on continuous improvement • Strategies and priorities are clear and developed in line with our vision • Delivery models are based on strategic and financial criteria driving best value for money • Modern and forward thinking with a resilient and high performing workforce • Empowered employees who take accountability including adherence to statutory responsibilities • Teams have a shared sense of purpose; promoting an agile, engaging, diverse and inclusive environment to work in • Clear processes operate to support performance standards, reward and recognition and progression relating to performance contribution 	<ul style="list-style-type: none"> • An agreed approach to design which is used to test the desired outcomes including post implementation review • Design principles that provide best practice for spans, layers, structures and job design aiding cultural development and capability to deliver sustainable change • All activity or objectives are linked to our vision and plan. Each TOM theme has clear objectives and is designed to achieve these • Centralised expertise to maximise resources and create efficiencies wherever it is possible • Agile well developed teams who can quickly respond and adapt to change • One organisation working across teams sharing best practice • Staff Skills and capabilities are developed creating pipelines for talent and succession opting for an internal solution first • Staff have a clear line of sight, they work together to achieve objectives. Performance objectives are linked to the vision • Staff work together where there are interdependencies and celebrate success

Structure as of March 2024



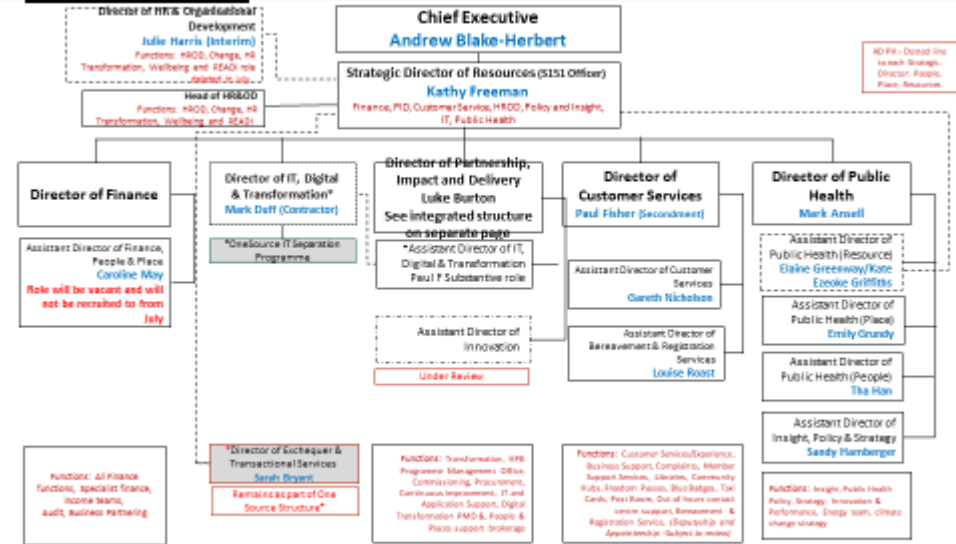
Place Structure



The Havering you want to be part of

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Resources Structure



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