

## **Corporate Establishment Review - Context**

The Corporate Policy and Resources Committee (CPRC) have agreed to the Council undertaking an establishment review focused on a number of key objectives (**Appendix 1**). This review will not only cover the establishment, but also include LGA Peer Review outcomes and the transformation programme which looks at operational and financial efficiencies.

Spelthorne Borough Council has had a long-term focus on maximising delivery and efficiency. This document sets out the key activities undertaken to date, which have moved us forward on delivering successfully to meet our communities' needs whilst ensuring we can fund those activities and maintain efficiency.

## **Background pre 2017**

In 2015, in common with the majority of local authorities, Spelthorne was facing some significant financial challenges primarily because of the national public sector austerity programme having commenced at the start of the decade. It was anticipated that by 2016/17 not only would the Council not receive any central government grant support, (with the exception of New Homes Bonus Grant which was being significantly reduced) but it also faced the prospect of having to pay negative Revenue Support Grant to the Government.

In order to meet these challenges, in 2015/16 the Council developed and implemented a major transformation programme it called 'Towards a Sustainable Future' (TASF). This focused on three main areas:

- Long term sustainable Income generation, including acquisition of investment assets.
- Structural review; seeking to better align political and managerial accountabilities.
- Relocation and new ways of working.

**Structural review:** At that time the main aims of the structural review of the Council's organisational structure was to:

- Align services to consider synergies between operational areas and support functions in line with corporate priorities and better alignment between managerial responsibilities and with Cabinet portfolio holders.
- Deliver greater resilience in some service areas.
- Deliver savings, some of which could be used to provide additional support to priority areas and other areas of high/rising costs.
- Take account of new alternative delivery models available for the provision of services, implementing these where this could lead to ongoing cost savings and/or improved resilience.

In terms of the establishment, there was a wholesale review and reduction in senior management posts resulting in cashable savings, with MAT reducing from four to three posts, five Group Head positions created to replace a larger number of Heads of Service and a realignment of services under each role grouped together where synergies existed, e.g. waste and recycling and car parking transferring to Neighbourhood Services. Deputy Group Heads were also created at this point, with a view to building resilience and providing such development opportunities, though only one of these positions now remains, as different ways of working were put forward in subsequent service realignments as Deputy Group Heads left the organisation.

One of the other key strands of the TASF programme was to reduce costs by developing new ways of working (including possible local authority trading companies), with our emergency planning function 'spinning out' as a trading company joint venture with Runnymede Borough Council, forming Applied Resilience, which now successfully delivers emergency planning and business continuity functions to 7 local authorities in Surrey, and other organisations e.g. schools and the NHS.

### **Post 2017 Actions**

**Relocation/office consolidation:** Consideration was previously given under TASF to potentially relocating the Council to smaller, more cost-effective offices, which would enable the Knowle Green office site to be redeveloped into affordable housing which would generate a rental stream and ease pressures on the Homelessness Revenue Budget. Councillors subsequently decided that they wished to stay at Knowle Green. It was therefore decided to consolidate our office space into a smaller footprint within Knowle Green in order to develop one wing into affordable housing, whilst also delivering greater efficiencies (including reducing business rates and heating costs) and improved working conditions. The enabling project to deliver these changes, called Project Lima, decreased staff space by 43% and freed up the West Wing of Knowle Green for conversion into 25 affordable apartments for residents on the housing waiting list. Additionally better use of space was made at the Depot and the Nursery, especially for the environment maintenance and JET teams.

**More efficient working:** The consolidation of space included upgrading ICT, more open plan offices and introduction of hot desking with savings in a number of areas including: -

- reduced number of printers,
- energy efficient LED lighting and equipment,
- double glazing for windows, thus reducing heat loss and saving energy.

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- Consolidation of corporate storage, and
- more compact and faster ICT installed.

A better and healthier working environment, including sit/stand desks, and collaborative working space was provided for staff through the office refurbishment, whilst also reducing business rates and running costs.

Project Lima set the platform for future transformation and created a culture which aligned more closely with the true definition of agile working, giving staff options and flexibility in terms of how and where to conduct business. Although teams are well set in their zones and environments, there is an openness to future reshuffling and change to continue to make best use of the space. The reception area was also made more welcoming, and the customer experience enhanced. Due to the innovative nature of the project and efficiencies gained, the Council was awarded in 2020 an iESE national award for its approach and delivery on transformation.

**Root and Branch/Continuous Improvement Programme:** Project Lima also laid the foundations for the development of new efficiencies in the way we deliver services, with a comprehensive 'root and branch' review undertaken of services across the Council to identify the 'way we did things' and then find new efficiencies and ways of delivering services that could improve the customer journey and deliver both cashable and non-cashable savings. Through our Root and Branch and ongoing continuous improvement programmes we have improved processes and ensured productivity gains over the year 2019 to 2021(Q2) of £140k and from Q3 2021 to Q1 2023 of £284k.

We have reduced our paper consumption dramatically by purposefully introducing a paper-free strategy. We used to print two million sheets of paper per year for Council meetings and incur mailing costs to send these to Councillors, but since 2019 all Councillors have been using a surface pro and access modern.gov for meeting agendas. These efficiencies have delivered savings of at least £30k per year (£17k from savings on paper and £13k from postage savings per year), contributing to our role in addressing the climate emergency and reducing our carbon footprint.

In the context of challenging Budget gaps over the medium term we are continuing that transformation programme both corporately and at service level to achieve further productivity savings and over the next 4 years a cashable savings target of £800k has been identified. An officer working group has been set up and has already identified a few quick wins. Our digital transformation programme see **Appendix 2** is expected to deliver savings in the short, and medium-term of around £100k as a contribution to the cashable savings target.

**COVID/Hybrid Working:** The ability of the Council to deploy staff and make a significant contribution to support the needs of residents throughout COVID became

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an LGA exemplar as demonstrated by the report (see link)

<https://democracy.spelthorne.gov.uk/ieListDocuments.aspx?CId=133&MId=1951>

The LGA Corporate Peer Challenge review undertaken in November 2022 also recognised this when they stated that ‘in the final report: -  
*“Spelthorne Borough Council has done many unique things of which it can be rightly proud, these range from the high profile and strategic to the very local and small scale. This was illustrated by the fact that ‘the Council’s response to Covid was brilliant and is clearly evidenced through the Council’s own report that explains in detail how the Council showed leadership and foresight to respond to the pandemic creatively. The peer team would like to commend Spelthorne Borough Council on this response and the way it supported its local communities in so many positive ways”.*

As Spelthorne emerged from the acute aspects of the COVID experience, the Council spent time and effort looking at what recovery work needed to be completed and as a result implemented a detailed Recovery Action Plan. This outlined a wide range of actions the Council has now undertaken to assist residents and businesses to address future need. It was evident that the new ways of working and COVID gave employees in many organisations a different perspective on how to work yet still deliver their required outcomes.

COVID has nationally changed expectations of work-life balance, with significant implications for recruitment and retention of staff. The recovery plan assisted in implementing the new ways of working post COVID to maximise flexibility whilst still focusing on productivity and meeting employee expectations. The reduced travel from working at home and more online meetings with colleagues in other local authorities further contributes to reducing our carbon footprint. The recovery plan can be found at:

<https://democracy.spelthorne.gov.uk/documents/s46840/Recovery%20Action%20Plan%20-%20progress%20updated.pdf>

Our approach to dealing with COVID clearly demonstrated our adaptability and resilience as staff were redeployed at short notice, provided within two weeks with ICT equipment at home and transitioned well to working at home whilst being supported through surveys and a safety net of support on mental health through CareFirst and mental first aiders. The success in terms of delivering for our residents during COVID demonstrated productivity did not need to suffer if people were working from home.

This ability to successfully deliver services whilst remote working led to the Council (like many other local authorities) introducing a hybrid working approach ([Hybrid Working Policy \(sharepoint.com\)](#)) for many of our staff once the pandemic was over. Given the difficulties in recruiting and retaining staff (which is an issue within all of Local Government) offering hybrid working as part of the recruitment package not only assists but is increasingly expected.

## Staffing

The 'salami-slicing' of services to balance the Council's budgets prior to TASF resulted in a lack of resilience in several areas. Since that time, additional resourcing for these areas has been made possible through a combination of income generation, cost savings/efficiencies, alternative funding sources and collaborative working.

In particular, income from the Council's assets has enabled the Council to not only build a larger assets team to reflect the skills, expertise and volume of work required to manage and develop the Council's £1bn asset portfolio, but also to support the delivery of other essential services delivered by the Council and then to have the capacity to address the Council's aspiration to ensure sufficient affordable housing is delivered for its residents. Additional resource was put into Legal and Finance to assist with supporting the increased assets portfolio.

The Council's Management Team continually keep under review the management structure of the organisation and has recently undertaken a realignment of some service areas to bring more of these under the remit of Group Heads, to further enhance synergies, communication and joined up working between services, whilst also reducing the number of managers reporting directly to Management Team.

This realignment has resulted in a restructure of Finance, with Environmental Health and Building Control realigned to the Group Head Place, Protection and Prosperity, and Customer Services to the Group Head for Commissioning and Transformation. This will allow further efficiencies to be driven in these services and will free up more of Management Team's time to focus on some of the strategic priorities and political matters and drive forward the Council's corporate objectives, during increasingly challenging financial circumstances.

The current senior management structure is shown in **Appendix 3**.

Individual service managers are required to adapt their teams/structures when necessary to maintain delivery in line with the needs of residents and businesses, new statutory responsibilities (e.g. tackling climate change) and increased workloads in specific service areas (e.g. housing, committees and grounds maintenance). External funding is used to support functions wherever possible/appropriate, e.g. our Family Support team (12 FTE equivalents), four posts in Independent Living and five posts in housing options. Other posts are supported by the business rates retention reserve, planning performance agreement funding and the Heathrow Environment Fund. In the Assets team some staff salaries have been capitalised against developments and others are recharged to Knowle Green Estates.

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In some instances, vacant posts may be deleted where functions can be delivered in a different way and savings can be made, whilst in other cases managers may decide to remodel a vacant role to enable delivery of other priority work, provided the costs can be met within existing budgets.

Where the need for an additional post is identified which would add to the budget requirements of the service, and this cannot be met from any alternative funding source, the manager would normally be required to put this forward as a growth bid as part of the normal annual budget setting process. Since 2022 MAT introduced a moratorium on new unfunded posts. Though there can be occasions when there is a need to recruit urgently in year if Government, for example, introduce a new statutory duty because of legislation.

On staffing issues consultation takes place with Unison (as the representative Union for all members of staff at Spelthorne Borough Council) and the positive constructive dialogue with the union assists us in dealing with sensitive staffing issues and the annual local pay negotiations, thus contributing further to the supportive nature of Spelthorne and well-being of staff. That supportive nature in Spelthorne is also reflected in achieving a gold award in 2021 under the employer recognition scheme as part of the Armed Forces Covenant and prior to the legislation introduced in 2022. Additionally, staff surveys have been undertaken to help understand the “mood” of the organisation and any issues arising amongst staff. The LGA peer review also involved speaking to many staff and understanding their views as well as identifying where improvements could be made.

### **Flexible working patterns/arrangements**

Many people work in the public sector because they wish to support the community and local environment and enjoy a supportive working environment, which they have at Spelthorne. That positivity helps counteract the negatives of salary limitations, especially as Spelthorne is ‘next door’ to several London authorities and other private sector opportunities which can offer better benefit packages and salary in addition to hybrid working. Given the recruitment issues the Council also offer part time or job-share opportunities, where appropriate.

As a result of increasing difficulties in recruiting and retaining staff especially in certain fields e.g, Environmental Health, Planning and Building Control, we have increased use of market supplements to keep up with other authorities’ salaries. Market supplements are used in exceptional circumstances only for people in posts difficult to recruit too if they became vacant. This is currently a particular problem in a number of professional areas but can also apply to others, including administration. The level of market supplement applied is based on comparisons with several other authorities (especially Surrey authorities) salaries for a particular role and they run for a period of three years, after which time they are reviewed to establish whether there is justification for them to continue or be adjusted.

### **Continuous Performance Management**

To ensure staff feel engaged and are productive in the new ways of working since COVID, we introduced a Continuous Performance Management process to ensure staff are fully engaged and focused on delivery. Quarterly KPIs benchmarked across Surrey demonstrate how we continue to successfully deliver services compared to other Surrey authorities.

Annually when producing service plans, Group Heads review their structures and establishments to ensure they are fit for purpose. Considering service structures and established posts is a continuous process of looking for opportunities to improve service, meet new demands as services evolve and retain and recruit staff into posts that are right for the team. The process of producing service plans has been brought forward to enable them to feed into the Budget planning process and to be reviewed by councillors on relevant committees.

### **Collaboration/partnerships with other local authorities**

The Peer Review recognised that partnership working is generally a strength for the Council and is outlined in the current Corporate Plan where it lays out the aim of developing strong partnerships in all sectors of the community, businesses and with other authorities and health, so that knowledge, skills and expertise can be shared to help shape priorities and effectively deliver on them.

As an authority we continue to critically evaluate whether we can deliver more for our residents and communities by working differently or in partnership with others. We recognize moving forward we are going to need to become better at prioritizing. Spelthorne has a number of current partnerships with other authorities including insurance with London Borough of Sutton (we are moving into phase 2 of this partnership from April which will save at least £50k per annum for the Council), counter-fraud with Reigate and Banstead Council, Spelride with Elmbridge, and Supporting Families with Elmbridge, Epsom and Ewell and Surrey County Council, as well as a recent partnership formed with Mole Valley Borough Council on SPAN (Spelthorne Personal Alarm Network) for our elderly community.

The Council continues to look for opportunities for collaborative working with other local authorities where this can deliver financial savings and/or improved resilience. Group Heads and service managers look at potential opportunities on a regular basis, but not all are progressed (if the business case or the benefits do not stack up for example). We would only enter a partnership when the outcomes are clear and where there is a willing partner. On a number of occasions our senior managers have approached neighbouring authorities and other Councils across Surrey where they have become aware of potential opportunities to join up services/share managers due to senior management vacancies arising (either at Spelthorne or the



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other authority) but have often not received a positive response to the idea of exploring any partnership arrangement.

Across Surrey, Councils continue to explore opportunities for collaboration. In response to Surrey County Council's failed bid to the Government for a single unitary authority for the whole of Surrey, the Boroughs and Districts in Surrey worked with KPMG on developing several ideas for alternative unitary structures for the county and areas where collaborative working could potentially deliver savings. Unfortunately, the level of collaborative working with Surrey County Council will be reducing in some areas from April 2023, with the County Council ending agency agreements with Boroughs/Districts in relation to highways verge maintenance and on-street parking enforcement.

In order to assess such opportunities in a structured way, Spelthorne established a Collaborative Working Group (comprising of a number of Councillors and senior managers) to assist in assessing and filtering potential opportunities, especially those that emerged from the work done with other Surrey District and Boroughs.

One example of a collaboration/partnership opportunity that we are currently progressing (and which has been through the Working Group) is the Financial Services Partnership with Mole Valley, the key aims of which are to align systems, build resilience and eventually deliver financial savings. A two-phase approach is being pursued. We are currently in Phase 1 - the initial systems review and alignment, with Phase 2 - closer alignment of services, systems, and processes under one senior manager to follow, subject to further evaluation and approval by the Council.

Following the rejection of their proposals for a unitary authority Surrey County Council have been actively pursuing a County Deal for Surrey, which could have a number of potentially significant implications for realignment and future funding of some functions/services across the county. The following link provides more details on Surrey's proposals:

<https://mycouncil.surreycc.gov.uk/mgConvert2PDF.aspx?ID=86352>

At a meeting of the Corporate Policy and Resources Committee on 20 April 2022 it was agreed that this Council should provide full active engagement in exploring the potential benefits of a future County Deal (in accordance with Option 1 of the report presented to the Committee) - see following link:

<http://sbclocalgov/documents/s43016/CPRC%20County%20Deal%2020.04.22%20final.pdf>



## **Appendix 1**

### **CORPORATE ESTABLISHMENT REVIEW**

#### **Terms of Reference**

##### **Objective**

To review the effectiveness of existing organisational structure, functions, roles and responsibilities to deliver the Council's Corporate Priorities with a view to establishing potential efficiency savings.

##### **Specific**

1. Review the complete organisational structure and consider realignment of services under the senior management team.
2. Consider current vacant posts and impact on relevant service areas if vacant posts were to be removed from the establishment.
3. Review use of all temporary staff including interims and consultants.
4. Consider any recommendations from staff audits and Peer Reviews.
5. Review rate of recruitment and retention.
6. Consider scope for creating shared services with other local authorities.
7. Consider scope for making staff efficiency savings by automating services and progressing digital transformation.
8. Consider feedback from member and staff surveys regarding capacity issues.