

ADUR & WORTHING  
COUNCILS

Joint Strategic Committee  
17 July 2024

Key Decision [Yes/No]

Ward(s) Affected: All

## **Update on the Organisational Design Programme**

### **Report by the Assistant Director of People and Change**

#### **Officer Contact Details**

**Noel Hatch**

**Assistant Director of People and Change**

[noel.hatch@adur-worthing.gov.uk](mailto:noel.hatch@adur-worthing.gov.uk)

#### **Executive Summary**

Adur & Worthing Councils exist to help their communities to live the best lives they can. However, working in the way they have previously is now not only unaffordable and unsustainable, it's also not what the communities of today and tomorrow need. They need to evolve, to work hand in hand to help the people, places, economy and environment of Adur and Worthing to thrive.

Significant reductions over many years in the central government grant provided to the councils, combined with challenges from inflation and cost of living pressures, mean the old ways of funding the councils' services are no longer fit for purpose.

The organisational design programme has been developed to ensure that the councils meet this ongoing financial challenge in a way which reflects the ambitions of Our Plan which is there to ensure the organisation can deliver the joint priorities of the two councils.

While making good progress, the programme has a very demanding timetable and some delays are being experienced in the early stages the teams are mobilised. That, and limited reserves mean that a cautious approach needs to be adopted and additional mitigation measures to control costs will be implemented over the summer to manage these risks.

## **1. Purpose**

- 1.1.** This report updates the Joint Strategic Committee (JSC) on progress with the Organisational Design programme.

## **2. Recommendations**

- 2.1.** The JSC is asked to consider, comment on and agree the progress of the programme, including the:

- 2.1.1. Objectives**
- 2.1.2. Roadmap**
- 2.1.3. Progress on delivery of the overall programme**
- 2.1.4. Savings forecast**
- 2.1.5. Progress on individual areas of focus**
- 2.1.6. Building blocks**
- 2.1.7. Risks and mitigations**
- 2.1.8. Governance**

### 3. Objectives of the Organisational Design programme

#### 3.1. Our context

Adur & Worthing Councils need to renew how they work as organisations to reflect unprecedented financial challenges, reducing government funding, increased and more complex demands from citizens and the impact of climate change.

This means the councils need to become more adaptive, resilient and participative. It will help them to become better at working with their communities and with other partners to address the challenges and opportunities to be experienced.

If the councils are to be able to manage these challenges and opportunities, services need to be designed in a way that:

- Focuses on what the councils are best placed to do, working with citizens and partners to make the best use of their strengths to improve lives
- Helps the councils' staff to develop their skills so they can thrive in the new way of working now and in the future
- Allows them to be maintained with less government support, potentially through new ways of funding them.

The organisational design programme has two key outcomes:

- To manage the ambitious savings targets which were set in response to a challenging financial position
- To do so in a way which redesigns and looks forward to improve the organisation so that it can better deliver on Our Plan and the joint priorities of the two administrations

### 4. Progress in delivering the organisational design programme

4.1. The [Joint Strategic Committee March 2024 Organisational Design](#) report outlined the scope of the programme. This report updates on progress.

4.2. The councils have developed a:

- [Roadmap for the organisational design programme](#) that ensures a strategic approach to the redesign of the different layers of the organisation
- **Savings tracker for the organisational design programme** that monitors the forecast and delivery of savings for individual areas of focus. [Work programme](#) to better prioritise and manage work in line with the councils' priorities and the level of resources available

- **Financial Strategy** that will set the organisation up to operate in a more sustainable way
- **Skills Framework** to enable the development of better career and progression plans for their staff.

### 4.3. Roadmap for the organisational design programme

The roadmap shows how the organisation is redesigning not just services but also the wider building blocks needed to embed change over 2024/25.

Focus	Q1 2024/25			Q2 2024/25		
	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024
Area of Focus		Group 1 Consultation-Service Launch			Group 2 Consultation-Service Launch	
			Group 3 Consultation-Service Launch			
Capabilities & Skills Dev			Manager L&D Launch Skills Audit	Skills Framework		Capability Plans
		OLT Programme				
Participation & Comms		Resilience Campaign	Participative Campaign Participation Learning Lab	Adaptive Campaign	Mission of the Month Campaign	Mission of the Month Campaign
				Group 1 External Engagement		
						Group 2 Engagement
Strategy	Q1 Workforce Policies		SPIF Strategy (Tier 1-2) Q1 Workforce Policies	Financial Strategy Civic Estate Strategy (Tier 3) Performance & Mission Roadmaps	Community Asset Strategy (Tier 4)	

Focus	Q3 2024/25			Q4 2024/25		
	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025
Area of Focus	Group 1 Transition & Embed					
		Group 2 Transition & Embed				
	Group 3 Service Launch		Group 3 Transition & Embed			
Capabilities & Skills Dev	Organisational Workforce Plan		Employee Value Proposition		Place-based Value Proposition	
	OLT Programme					
Participation & Comms	Mission of the Month Campaign	Mission of the Month Campaign	Lived Experience	Missions Academy		
	Group 2 and 3 External Engagement					
	VCS Commissioning and Participatory Budgeting					
Strategy	Asset Strategy Q3 Workforce Policies		Q4 Workforce Policies	External Funding Strategy	MTFS	
					Housing Strategy Procurement Strategy	

Delivery of the redesign of individual areas of focus is progressing well.

- All Group 1 areas of focus have finalised their proposals, completed their staff consultations and announced their final structures, in advance of the deadline

of September 2024. All areas of focus in this group will have launched their new structures by September 2024.

- Group 2 areas of focus are finalising their proposals and preparing their staff consultations to be completed by the deadline of October 2024.
- Group 3 areas of focus (other than Waste and Cleansing) are developing their proposals, and preparing their staff consultations to be completed by the deadline of November 2024.

See section 5 for the progress on each of the individual areas of focus.

#### **4.4. Savings for the organisational design programme**

The organisational design programme has a savings target of

- £2,226,890 for 2024/25
- £1,809,710 for 2025/26.

Each area of focus has its own individual savings target which forms part of the overall targets for 2024/25 and 2025/26, which are outlined in Appendix 1. An area of focus is a service or a grouping of services which are being redesigned.

Note that the programme savings contributes to an overall savings target for the organisation outlined in section 10.

The savings targets built into the 2024/25 budget are being tracked against performance on a monthly basis using the monitoring process. This enables decisions on the programme timeline to be flexed based on the relationship between the proposed delivery dates and the projected savings.

Among the measures being put in place are:

- A continued pause on any permanent recruitment for services that have not yet completed the redesign process.
- Proposals for delivering savings for 2025/26 are being developed earlier to make savings more quickly.
- Contracts are being reviewed to identify opportunities to reduce the cost of major procurement.
- The management and delivery of the asset and capital programme is being reviewed to better align the management of revenue and capital spend.

Further work will be carried out to review how agency spend can be significantly reduced.

More detail can be found in Appendix 1 - Summary of Financial Savings Tracker 2024/2025.

## **5. Areas of Focus**

5.1. The redesign of services has been structured into areas of focus.

Appendix 4 - [Progress on Areas of Focus](#) outlines the progress to date and next steps in continuing to deliver the redesigns and tackle the challenges faced. It also outlines the implications for citizens for those Group 1 areas that have finalised their new service (post staff consultation). There will be a period of adjustment as the changes are implemented which the organisations aim to make as smooth as possible.

## **6. Building blocks**

As outlined in the roadmap for the organisational design, the programme is not only redesigning services but also the wider levers of the organisations that embed change as a capability of its teams.

### **6.1. Financial Strategy**

The organisations have developed a financial strategy that:

- Reflects the context that local government finance is in
- Provides a strong foundation for how the delivery of the councils' strategy, Our Plan, is financed
- Ensures the management of assets that support financial and social outcomes
- Prioritises the recovery of the organisations' reserves positions
- Enables the pursuit of increased external funding.

See the JSC July 2024 Financial Strategy for more detail.

### **6.2. Work Programme**

Through the development of a single organisational work programme based on joint priorities for the Adur and Worthing administrations, the organisations have improved how they prioritise programmes to:

- Provide teams with a sustainable and manageable programme of work

- Help prioritise which projects are delivered to support the councils' joint priorities and manage resources
- Strengthen the organisations' governance in how they track the delivery of projects through JSC and member-officer working groups
- Enable the organisations to develop communications, participation and calls to action for citizens, partners and the government linked to their priorities.

See the JSC July 2024 Annual Performance Update for more detail.

### **6.3. Skills Framework**

6.3.1. The organisation has developed its first [skills framework](#), which aims to:

- Translate the organisations' principles into tangible skills
- Prioritise the development of those skills that staff need most
- Improve the performance of staff through improved development opportunities
- Develop career pathways for members of teams
- Highlight the capabilities most needed for the organisation

6.3.2. The framework outlines skills needed for all staff and managers, and has been developed with them. See Appendix 5 - [Skills Framework](#) for more detail.

### **6.4. Capabilities Model**

6.4.1. At the heart of the skills framework is an ambition to develop the capabilities that can help the organisations:

- Embed in every team the change the new organisational design brings
- Anticipate the key skills needed to develop in staff over the next five years
- Demonstrate to all staff how those key skills will be relevant
- Develop an offer that retains and attracts a skilled workforce.

6.4.2 The first capability to be activated is participation which is central to the new neighbourhood model. The next to be developed will be digital as this is vital to the overall success of the programme.

### **6.5. Future work**

Once the areas of focus have delivered the service changes, the programme will support teams to embed the new approach into their everyday working, including:

- Reviewing opportunities to extend the model to other services in ways that help citizens (e.g. developing simpler ways to access services).
- Reviewing with partners how best to work together to tackle common needs (i.e. signposting, joined-up support, co-commissioning, etc.)
- Developing a pathway for services to better empower communities to get involved and make a difference where they live
- Embedding the change into a strategic long-term approach for how the councils manage their assets.

## 7. Risks and mitigations

Further action is needed to ensure the councils are achieving their financial targets and to consider the impact this might have on other services. These risks and mitigations are reported on a fortnightly basis to the Corporate Leadership Team (CLT).

Key Risk	RAG	Mitigations
<b>Delays to elements of the programme that impacts delivery</b>	<b>High</b>	<p>Review delivery programme to accelerate elements which were planned for 25/26.</p> <p>Delivery managers in post for the next phase of the programme in order maintain a steady pace of delivery.</p>
<b>Not making planned financial savings</b>	<b>High</b>	<p>Where gaps as a result of delays: accelerate future design work and 'pull forward' activity</p> <p>Where gaps are as a result of savings not being found: further review and challenge by design authority group (a subset of CLT) to find additional savings. This will include additional focus on external spend and contract savings</p> <p>New in-year contingency 'pot' to be created by removing selected budget lines from departments and centralising control of this (as has been done with vacancies) in order to mitigate the in-year impact of savings not being achieved.</p>



		The Strategic Finance Board will review the Financial Savings Tracker to review progress, savings gaps and further mitigations as needed.
<b>Core services need to understand future resources needed from areas of focus</b>	<b>Medium</b>	Triage group set up to prioritise the support of core services to key projects to ensure we take a focused approach to resourcing our support

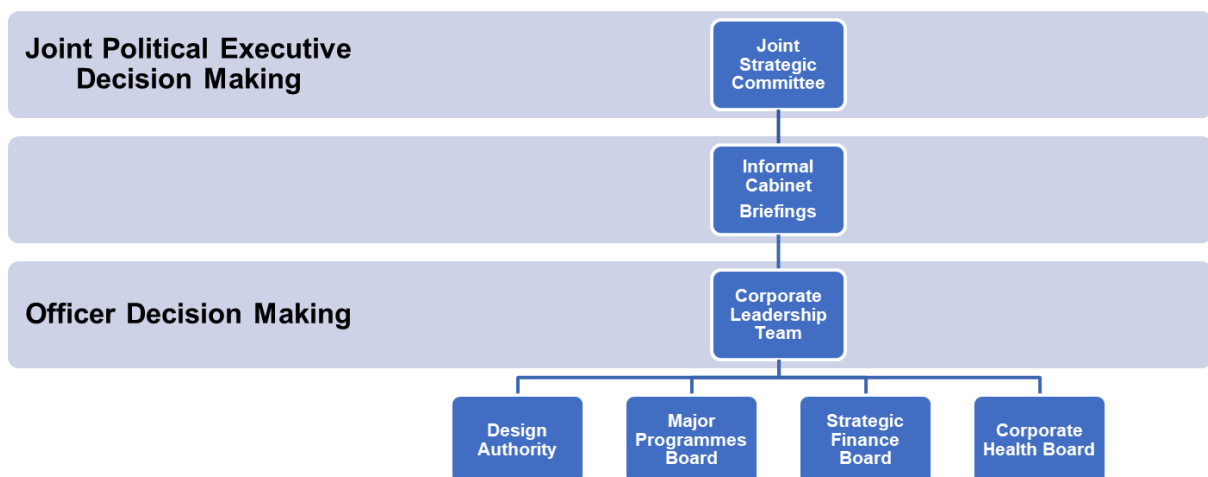
## 8. Governance

### 8.1. Principles for governance

As the organisation design programme will impact all teams across the councils, it is important to set out clear governance around decision making.

- Well-considered and robust governance increases resilience, helping the organisations to deliver their strategy in a way that is sustainable
- Adaptive governance is flexible and responsive, growing organisational capacity to anticipate and respond to internal and external challenges.
- Good governance demonstrates integrity, which enhances trust and builds relationships, fostering a participative environment in which everyone’s knowledge and experience is recognised and a greater sense of ownership and accountability develops.

### 8.2. Programme management and governance



8.2.1. The roles of the Joint Strategic Committee, CLT and Major Programmes Board remain unchanged from the JSC Organisational Design Scope report of March 2024. However, the:

- **Major Programmes Board** is developing and managing a sustainable programme of work (outlined in the JSC Annual Performance Update report, July 2024) which reflects the risk appetite and capacity of the organisations, with oversight of the organisations' major programmes
- **Strategic Finance Board** tracks our finances, including oversight of our medium term financial strategy, commercial monitoring, funding strategy, major business cases and the Financial Savings tracker
- **Design Authority** is overseeing and challenging the proposals for service redesigns of areas of focus to ensure they are on track in terms of delivery timescales, savings projected, interdependencies that exist and mitigations needed for the redesign
- **Triage Group** has been set up to prioritise the support of core services to key projects to ensure we take a focused approach to resourcing our support
- **Thematic CLT design sessions** are informing and shaping different stages of service designs to provide a holistic approach to change.

8.2.2. Updates on the organisational design programme take place on a fortnightly basis to CLT to review progress.

8.2.3. The Change multi-disciplinary team, made up of representatives of the core services team, has also met on a fortnightly basis and has developed or informed tools and approaches to support different stages of the redesign.

The following boards will also be set up over the autumn:

- **A Corporate Health Board** to track organisational health across health & safety, digital, information governance, safeguarding & equalities, workforce development, performance, risk and audit
- **New mission working groups** to oversee the performance of the mission themes in our work programme.

### 8.3.1 Delivery managers

To support the above, fixed-term delivery managers are being recruited to support each of the programme themes and relevant areas of focus. They are funded as part of the cost of change outlined in the [JSC Final Revenue Budget Paper in Feb 2024](#).

## 9. Engagement and Communication

9.1. Staff are being engaged on the programme through updates on progress, a campaign on each of our principles and workshops to help staff to shape future opportunities, and creative use of communications including video and podcasting.

9.2. Cabinet member briefings are taking place to update on progress on individual areas of focus, and briefings for all members every two months. Work is also underway to develop the role of ward councillors to champion their communities.

9.3. Monthly union meetings take place to provide updates on the organisational design programme and workforce policies, to get union feedback and to use this to improve how services are redesigned and staff are supported through the process.

9.4. Open sessions are planned with community groups, strategic partners and businesses between June and October. These sessions will be followed by more thematic engagement based on the issues prioritised.

9.5. Wider engagement with citizens will be planned once Group 1 services launch externally from September. This will focus on how they can make a difference in their neighbourhoods and what would make the changes as smooth as possible.

## 10. Financial Implications

10.1 The savings targets from the organisation design programme were a key contributor to balancing the 2024/25 revenue budgets for both Adur and Worthing Council. Any delay in delivery of the programme or shortfall in savings against the target therefore create a financial pressure. Current projections and the financial impact on the delivery of the programme can be summarised as:

	Target Saving 2024/25	2024/25 total savings identified 2024/25	2025/26 Accelerated saving	Actual saving pro rata for implementation timeline	2024/25 in Year actual saving gap
Areas of Focus	£1.892m	£1.539m	£0.058m	£1.181m	£0.711m
Contracts savings	£0.355m	£0.180m	£0.00m	£0.180m	£0.155m
Total Organisational design	£2.247m	£1.719m	£0.058m	£1.361m	£0.886m

In addition to the organisation design, the approved budgets also included savings from other initiatives. Performance against all of these savings targets is monitored through a financial tracker (summarised at appendix 1):

Other initiatives	£1.059m	£0.967m	£0.00m	£0.914m	£0.145m
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Overall budgeted savings 2024/25	£3.371m	£2.616m	£0.058m	£2.275m	£1.096m
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10.2 As the table highlights the overall savings of £1.719m have been identified against the 2024/25 organisation design target, however due to some delay in implementation the saving benefit in 2024/25 will be £1.361m leaving a current estimated shortfall gap of £0.886m in the current year. However, it should be noted that work continues to identify further savings and a number of control measures are in place to mitigate this gap;

- Where appropriate areas of focus scheduled for 2025/26 are being brought forward to accelerate the achievement of the associated savings.
- Expenditure control measures have been put in place to review and triage all expenditure with a focus on essential requirements being the criteria to spend. All procure to pay requisitions under £25k are reviewed on a daily basis, requests to spend in excess of this value are made through a form submission process and reviewed by a Budget Management Group which includes members from CLT, Finance and Human Resources.
- Vacancy control which generates savings against the establishment budget and also ensures posts can be held for redeployment purposes alongside the organisation design programme. Requests to recruit are reviewed by the Budget Management Group. Where resourcing is considered necessary then recruitment is being done on a temporary basis until the relevant area of focus has been through their redesign.
- A contingency pot is to be held at a central level by the virement of some general budgets being vired to create a corporate budget where funding will need to be allocated from. The intention is that this generates a significant contingency saving of £700k.

10.2 As set out in section 7 of this report the monitoring of the programme including the achievement of the savings against the budgeted target are reviewed and considered by the Corporate Leadership Team on a fortnightly basis.

## 11. Legal Implications

11.1 Under section 111 of the Local Government Act 1972 the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.

11.2 Section 3(1) of the Local Government Act 1999 contains a general duty on a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy , efficiency and effectiveness.

11.3 s1 Local Government (Contracts) Act 1997 confers power on the local authority to enter into a contract for the provision of making available of assets or services for the purposes of, or in connection with, the discharge of the function by the local authority

## **Background Papers**

The following appendices provide more detail:

- Appendix 1 - Summary of Financial Savings Tracker 2024/25
- Appendix 2 - Work Programme (see separate JSC July 2024 Annual Performance Update report)
- Appendix 3 - Financial Strategy (see separate JSC July 2024 report)
- Appendix 4 - [Progress on Areas of Focus](#)
- Appendix 5 - [Skills Framework](#)
- Appendix 6 - [Organisational Design Roadmap](#)
- Appendix 7 - [Productivity Plan](#)

## **Sustainability & Risk Assessment**

### **1. Economic**

- 1.1 **Economic Development:** The programme supports economic development by fostering a more efficient, adaptable, and resilient organisation. This can lead to improved service delivery and potential cost savings, positively impacting the local economy. The emphasis on regenerative development and alignment of services with core values can also stimulate local economic growth and innovation.
- 1.2 **Economic Participation:** By reshaping services like housing, neighbourhoods, and resident services, the programme can enhance the economic participation of communities by making it easier for residents and businesses to access support, thereby contributing to a more vibrant local economy.

### **2. Social**

#### **2.1 Social Value**

**Social Value:** The programme aims to increase social value by improving community engagement and participation, making services more accessible and responsive to residents' needs. This can lead to stronger community ties and a more inclusive approach to solving local issues.

#### **2.2 Equality Issues**

**Equality Issues:** An integral part of the programme is to ensure that the redesign does not disproportionately impact any groups, with a commitment to conducting Equality Impact Assessments (EIAs) for all areas of focus. This proactive approach aims to safeguard against any negative implications for access or participation among diverse community groups.

#### **2.3 Community Safety Issues**

**Community Safety Issues:** Through a coordinated approach to services like housing and neighbourhoods, the programme can contribute to safer communities by addressing underlying issues that lead to crime and disorder, aligning with the Councils' duties to reduce crime and disorder.

## 2.4 **Human Rights Issues**

Human Rights Issues: The programme is designed with an awareness of human rights considerations, ensuring that changes to service delivery respect individuals' rights and freedoms. The participative approach to service redesign and decision-making is intended to be inclusive and proportionate.

## 3. **Environmental**

The programme has the potential to positively impact environmental stewardship through its emphasis on sustainable organisational practices and digital transformation, reducing the need for physical resources and promoting greener service delivery models.

## 4. **Governance**

4.1 **Alignment with Council Priorities:** The programme is closely aligned with the Councils' priorities, particularly in terms of improving services, community engagement, and resilience. It seeks to integrate these changes within the existing strategic framework, enhancing the Councils' ability to meet their long-term objectives.

4.2 **Reputation and Partnerships:** By engaging with communities and partners in the redesign process, the programme can strengthen the Councils' reputation as inclusive, responsive, and forward-thinking. It also opens avenues for deeper collaboration with external partners, enhancing service delivery and community outcomes.

4.3 **Resourcing and Risk Management:** The programme is structured to manage risks effectively, including financial risks associated with savings targets and operational risks related to the redesign of services. It includes a governance structure to oversee the implementation and monitor progress, ensuring that resources are allocated efficiently and that health and safety considerations are integrated into the new service models.

## Summary of Financial Savings Tracker 2024/2025

Area of focus	Budgeted Savings Target	Savings identified	Accelerated Savings from 25/26	Shortfall in savings identified against target for year	In year actual (pro rata to implementation est)	savings gap in year	Shortfall in savings due to implementation delay
Neighbourhood	-£740,390.00	-£497,118.00		£243,272.00	-£369,408.33	£370,981.67	£127,709.67
Place	-£173,210.00	-£226,256.48	-£40,111.77	-£93,158.25	-£205,211.77	-£32,001.77	£61,156.48
Resident Services	-£265,910.00	-£276,879.00		-£10,969.00	-£184,586.00	£81,324.00	£92,293.00
Community Capacity	-£196,990.00	-£196,990.00		£0.00	-£196,990.00	£0.00	£0.00
Regenerative Development	-£333,620.00	-£174,852.00		£158,768.00	-£176,698.75	£156,921.25	-£1,846.75
Housing	-£222,090.00	-£335,000.00		-£112,910.00	-£195,416.67	£26,673.33	£139,583.33
Core Services	-£203,320.00	-£203,320.00		£0.00	-£203,320.00	£0.00	£0.00
Bereavement	-£61,770.00	-£39,000.00		£22,770.00	-£22,750.00	£39,020.00	£16,250.00
Waste	-£173,920.00	-£76,500.00		£97,420.00	-£76,500.00	£97,420.00	£0.00
Environmental Health	£0.00	£0.00		£0.00	£0.00	£0.00	£0.00
Other Peoples Money	£0.00	£0.00	-£17,500.00	-£17,500.00	-£17,500.00	-£17,500.00	£0.00
<u>Corporate</u>							
Contracts	-£335,160.00	-£180,000.00		£155,160.00	-£180,000.00	£155,160.00	£0.00
Utilities	-£280,000.00	-£280,000.00		£0.00	-£280,000.00	£0.00	£0.00
Treasury/asset review	-£380,000.00	-£200,000.00		£180,000.00	-£166,666.67	£213,333.33	£33,333.33
Other (Adur Civic Presence)	-£4,840.00			£4,840.00	£0.00	£4,840.00	£0.00
	<b>-£3,371,220.00</b>	<b>-£2,685,915.48</b>	<b>-£57,611.77</b>	<b>£627,692.75</b>	<b>-£2,275,048.19</b>	<b>£1,096,171.81</b>	<b>£468,479.06</b>