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Dear all Trade Union representatives (copied into all BCC employees)

**Consultation in accordance with Trade Union Labour Relations  
((Consolidation) Act 1992 (TULR(C)A S188(4))**

The purpose of this letter is to commence consultation with you on the workforce implications arising from the proposed Budget 17/18 and the Council's proposed Future Operating Model. The consultation will cover ways of avoiding or reducing the number of any redundancy dismissals and mitigating the consequences of any such dismissals.

**Introduction**

**Councils proposed Future Operating Model (for the purposes of this letter collectively known as 'the Proposals').**

All BCC employees are 'affected' by the Proposals.

Where an employer proposes to make redundancies of 20 or more employees within

TULRCA has a wider meaning for redundancy; by way of example changes to line management or how someone undertakes their role, or a change in job title may also trigger the need to consult under section 188 of TULRCA.

## **Background**

Our vision for the future of Birmingham is for a city of growth, in which every child, citizen and place matters – a great city to grow up and grow old in, where people are healthier, communities grow stronger, and decent housing provides a strong foundation in which to raise families and build careers.

We want to play a key role in turning this vision into reality, but at the same time we need to make big savings because of the unprecedented financial challenges we face.

In setting the budget for 2017/2018, Birmingham is guided by the present situation – including rising demand for services, the need to maintain investment in our children's safeguarding and the overall financial pressures facing the council.

The years ahead will see profound change in local government, not least in Birmingham and the West Midlands. Central Government intends to phase out the main grant funding to local authorities completely by 2020 but will allow us to retain all the income from business rates at a local level. Birmingham will have more independence, but this raises more questions about how this will impact on the resources available and the additional responsibilities the council will be expected to undertake in return,

The Council has to become one of the key contributors to the development of



## **Our approach to change**

Delivering the scale of cuts shown above (and those we still need to make) would not have been possible without a recognition that we need to do things in different ways – to achieve more with less. This has meant some very difficult decisions but they have been taken within a framework of values and priorities and with an eye on how the City Council will change in the years ahead.

Our values and priorities have meant that we prioritised working together for a city of growth in which every child, citizen and place matters. We see the City Council's role as providing strategic leadership for the city and ensuring the provision of decent services for all. Within that we have a particular focus on supporting those least able to support themselves and working with partners to take a whole system approach, with citizens and neighbourhoods at the heart of our decision making. We have recognised for several years that we need to change our organisation radically, not just to manage with far less money, but to deliver on new expectations. Over recent years a picture of a new council to play different roles and deliver new functions in the changing world around us has emerged ever more clearly.

We have not created a detailed, top-down blueprint for this new city council, but we have recognised some key drivers of change and several ways in which it will be different.

### **Our Council of the Future will be:**

**Smaller and more strategic.** The role of the Council will be less about direct service delivery and more about supporting a wider range of partnerships and providers, including social enterprises and the contribution of voluntary effort and the community. At the same time it will be more effective at strategic leadership – one of the fundamental roles of the city council.

**Partnership based.** The new role of the council will be more about empowering bottom up action and brokering partnerships between communities and organisations that contribute to the future of the city.

**Less about structures and more about people.** Structures will be lighter touch and less defined from the top down. Bureaucracy and rules will give way to more flexibility and more ownership of is

There is one corporate cross cutting proposal called the Future Operating Model (reference CC2 – business case attached as Appendix 2), and additionally there are a range of proposals that are specific to particular services.

Out-placement support and the deployment of the Bridge Initiative, or similar event(s).

Ensuring that the usage of agency workers is managed through the agency approval process to ensure they are only used in those situations that are business critical and cannot be filled by displaced employees.

Identifying if any roles that are currently covered by contract workers that could be filled with appropriately competent employees that may be displaced.

Offering staff that may be displaced the opportunity to apply for any new posts created within any new organisational structure in line with the principles agreed with the trades unions regarding assimilation.

Consideration of applications for job share and reduced working hours, in appropriate cases.

Exploring the potential of alternative delivery vehicles such as mutuals.

Reviewing other non-staffing expenditure to reduce costs / increase revenue.

Any other measures that are identified and agreed as part of consultation.

However, where the measures outlined above may prove to be insufficient and, as a result, the council then needs to consider whether redundancies will be necessary in accordance with the enclosed provisions of the TUPE Regulations.









Birmingham City Council will

## **Phase 1 – Rationalisation of Support Services**

Phase 1 will commence in early January and complete in April 2018, and will be split into three parts 1a, 1b and 1c.

### **Phase 1a**

This first stage involves reshaping the Corporate Leadership Team in readiness for delivering the new Operating Model. It is proposed that a number of posts will be deleted, and a number of new roles created with a new corporate organisational structure introduced. Consultation will begin in January 2017.

To ensure that the City Council can deliver the Future Operating Model, it is imperative that the organisation adjusts its structures to align with the model.

At its centre the organisation requires a streamlined, disciplined operating centre that enables Directorates to achieve the priorities of the organisation.

As a consequence of assessing the impacts of the first stages of development of the Council of the Future, it is being identified that the most immediate and significant pressures on strategic capacity are in relation to:

- Development and implementation of the authority's new "enabling" Future Operating Model to deliver the Council's vision, priorities and outcomes for citizens, partners and stakeholders;

- Defining and shaping the Council's strategic approach including appropriate governance, assurance, financial capacity and capability building;

- Robust programme

modern standards, solutions and good value investment and commercial decisions.

The new future operating model outlines a number of changes to the current Corporate Leadership structure which

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of the authority and because funding cuts mean that staffing costs need to be reduced.

The Support Services that will be involved in the transfer into the newly formed Transformation Directorate, led by the Chief Operating Officer, include posts that work in job roles to deliver:

Human Resources	Procurement
Legal and Governance Services (i.e. includes democratic & political support)	Customer Services
Communications and Marketing	Shared Services
Employee and Citizen Engagement	Contract Management
Service Redesign	Client Management
Business Administration	Organisational Development (including change management and learning & development)
Transactional Shared Services	Project and Programme Management Performance Management
Facilities Management (to include corporate landlord and receptions)	Data Analysis and Insight
Policy and Executive support	Commissioning
ICT and Digital	

The Services that will be involved in the transfer into the newly formed Finance Directorate, led by the Chief Finance Officer, include posts that work in job roles to deliver:

- Strategic financial forecasting and budget setting
- Strategic and Corporate Accountancy
- Audit

A broad definition of support roles under these categories has been used to capture those roles considered in scope. To ensure that consultation is meaningful this scope will be con

The purpose of consultation during this phase is to consolidate all relevant posts into a singular directorate. Thorough service redesign work needs to be undertaken alongside the system integration work currently being delivered as part of Integrated Support Service (ISS) to clearly define what structures would be best placed to deliver an effective Transformation function.

### **Senior Leadership Team Changes**

Now that consultation with the Corporate Leadership Team has ended, we are moving on to reshape and resize the Senior Leadership Team. Consultation with this cadre of staff has commenced.

One of the key principles of the implementation of the future operating model is to consider synergies across the Council and ensure that roles and responsibilities of roles are clear to minimize and reduce duplication as well as ensuring

Streamlined management structures with reduced layers between the chief executive and the citizen to support the organisation's role in local leadership;

A clear "Birmingham Leadership" role that has transparent accountability and broadly consistent spans of control;

A focus on ensuring the recruitment and/or retention of the right people with the right skills in the right roles

Strengthened arrangements for talent management and succession planning

To this extent, the future senior leadership team will be accountable to the Corporate Leadership Team and in particular the Corporate Directors of delivery directorates will be responsible for enabling managers and senior leaders to commission or deliver services in an efficient and effective manner with support that is fit for purpose, processes and systems. Colleagues in the Transformation Directorate will view and treat delivery directorates as customers and work in a manner that reflects the values and behaviours expected of all Birmingham City Council colleagues:

We put citizens first

We act courageously

We are true to our word

We achieve excellence

A customer survey has just been completed and the result of this will be used as a baseline for future performance against SLAs, and indicators will be reported on a regular basis.

The rationalisation of support services was set out as phase 1 of the overarching Future Operating Model. To enable this to happen there is a need to bring together, or consolidate, all support services into the newly formed Transformation Directorate, and this will happen in



The need to minimise disruption to our customer, senior managers subject to this consultation and the teams they manage.

Alongside the consolidation of support services currently located in People, Place and Economy into the Transformation Directorate, Legal Services and Facilities Management functions will now also be transferred in the Transformation Directorate.

It is proposed that functions in the new Transformation Directorate will be grouped as follows:

Each group of functions will be headed by a Service Director or Service Assistant Director.

### **Finance**

A key principle of the future operating

A review of the Assistant Director Finance posts proposes that those focused on departmental areas would benefit from

In recognition of the priority to improve Health across the City the creation of the Corporate Director for Health and Social Care is intended to ensure that services work better together across the social care and

**Phase 2 – Review of Spans and Layers across whole organisation**

It is proposed that Phase 2 will commence in March 2017, completing in April 2018.

Consultation will commence in early March 2017 for colleagues affected by the proposals in 16/17 for Economy and Waste Management.

For all other areas consultation will commence on spans and layers in April 2017.

This will support the second stage of organisational restructures (referenced above) to ensure that the right roles are bein0 0 1 411.07 719.14 Tmc5.744oles

Layer 1 - Chief Exec and Corporate Director

Layer 2 - Service Director

Layer 3 - Assistant Director / Head of Service

Layer

The Future Operating Model review of structures identified duplication and confusion between the different skills and employment agendas positioned across the authority. The employment and skills development for children, new industries, vulnerable groups and Birmingham residents is currently split

requirements of Birmingham s Leadership. This assessment will also be consistent for all external appointments in the future.

A proposed competency framework and definition of a Birmingham leader to inform clear requirements

## **Estimated Financial Savings**



## Future Operating Model

Chief  
Executive

Change &  
Support Services

Finance &  
Legal Services

Economy

Place

Major Projects

People

CPS  
Programme Mgt  
HR & Change  
Communications  
& Engagement  
Performance  
Strategy  
Insight  
European Office  
Customer Servs  
ICT&D

Finance  
Legal  
Shared Services  
Audit  
Democratic  
Services

Transport  
City Employment  
Economy  
Strategic  
Property  
Planning  
Regeneration  
Highways  
Culture  
Events  
Tourism

Waste  
Sports  
Open Spaces  
Housing  
Enforcement





