



LONDON FIRE BRIGADE

Report Title:	
Transformation Directorate Restructure	
Report to:	Date: 16 May 2022
Commissioner's Board Deputy Mayor's Fire and Resilience Board Finance and Investment Board London Fire Commissioner	
Report author:	Name: Rachel Wetheridge Job Title: HMI Inspections and NOG Implementation Manager
Report classification	
For Decision	
Report number – LFC-0709x	
For Publication	
PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DECISION-MAKER	

Executive Summary

In early 2020, the London Fire Commissioner published the Transformation Delivery Plan (TDP) which set out those actions required to transform the organisation to address concerns raised by Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS) and the Grenfell Tower Inquiry (GTI) in late 2019. This marked the beginning of the organisation's transformation journey. This paper proposes a new structure for the Transformation Directorate which will provide it with the capabilities and capacity it requires to sustain transformative change across the Brigade, deliver the 2023 CRMP and enabling the best possible service to London and Londoners.

Recommended decision(s)

For the Commissioners Board

- Approves the proposed new Directorate structure set out in this report and included within the 22/23 approved budget and option 4 as the recommended implementation approach.

For the Deputy Mayor

- Authorises the London Fire Commissioner to commit revenue expenditure of £1,395,023 in 2022/23 and future years for the creation of the new Transformation Directorate structure as per the approved 22/23 budget.
- Authorises the London Fire Commissioner to utilise temporary expenditure for two years (with expenditure over three financial years) at a total cost of £971,541 for 2 years (totalling £1,943,082) to be funded from the Transformation Reserve.

This LFC decision will only be taken after further consultation with the Greater London Authority's finance and legal advisers and Corporate Investment Board.

For the London Fire Commissioner

- Approves the proposed Directorate structure set out in this report
- Approves expenditure of £1,395,023 per annum from 2022/23 onwards, which has already been included within the allocated budget.
- Approves expenditure for two years (with expenditure over three financial years) at a total cost of £971,541 for 2 years (totalling £1,943,082) to be funded from the Transformation Reserve.

1 Introduction and Background

- 1.1 In January 2020 the London Fire Brigade (LFB) published the TDP, this was in response to the reports received from Phase 1 of the GTI and the first inspection by HMICFRS. The TDP set out our strategic vision and purpose and put in place the first steps towards transforming the organisation.
- 1.2 The Director for Transformation joined LFB in June 2020 and has instigated a programme of work to build the foundations needed, both in terms of professional capabilities and process, to create an environment that will support sustainable transformation. Whilst much of the work is in progress, the Directorate is also focused on resourcing to sustain the development and deployment of those capabilities and processes, develop our long term strategy and support the rest of the organisation through what will be a significant period of change across all aspects of LFB delivery.

- 1.3 The mission, aims and objectives for the Transformation Directorate have been established and approved by the LFC. The new directorate structure is designed to help achieve this mission.
- 1.4 The organisational capabilities and capacity, both within the Directorate and more widely across the LFB were reviewed extensively from November 2020 to July 2021 to establish the extent to which transformation can be supported and executed effectively. This review demonstrated that, whilst the Transformation Directorate has talented and skilled team members, across most disciplines, both it and the wider organisation is not sufficiently equipped with the capability or the capacity to deliver the aims and objectives of the organisation to support the required outcomes over the coming years.
- 1.5 A new structure was developed during the summer of 2021 which addresses the gaps within the Directorate such that it can deliver its functional requirements, whilst co-ordinating and building the capacity and capability that is needed more widely within LFB.
- 1.6 A significant amount of work has been done to date to design and develop capabilities to support and enable transformative change across the organisation. This work has been resourced by a mixture of existing staff supported by a small number of consultancy and agency staff. Whilst this approach has enabled the design and development of capabilities and in some cases, the final outputs (for example, risk registers, the portfolio strategy and approach and our high level target operating model), there is a need to inject sufficient resources with the correct skills and knowledge to deploy, embed and sustain these capabilities across the organisation.
- 1.7 It should also be noted that since late 2020 the Transformation directorate team has adopted new ways of working and taken on temporary roles in good faith to enable the work to continue to be delivered whilst the organisation design was finalised and additional resources introduced. This way of working continues, and the team is stretched and will not be able to deliver its full workload until the new structure is implemented.
- 1.8 The new directorate structure will support LFB to deliver against the recommendations and actions from the HMICFRS inspections and the first phase of the Grenfell Tower Inquiry in a sustainable way. It is essential that these recommendations are fully addressed as soon as reasonably practicable.
- 1.9 The proposed new structure is included as Appendix 1. This structure consists of 6 disciplines:
- Business Services
 - Portfolio
 - Strategic Planning
 - Performance Improvement
 - Grenfell Tower Inquiry interface and support (already approved by the commissioner and DM under a separate paper (LFC – 0629x dated November 23 November 21)
 - Service Delivery Assurance (no additional cost at this time)

2 Business Services

2.1 The proposed Business Services team will comprise the following capabilities, operating under the leadership of a professional Head of Business Services:

- Risk and Assurance
- Business Continuity
- Inspection and compliance

2.2 A solid risk management strategy and enterprise assurance framework are essential to moving the Brigade from a position of reacting to risks once they have happened, to one where risks are pro-actively identified and managed before they manifest, subsequently damaging the reputation and effectiveness of the Brigade as a whole. Failure to manage risks often results in higher costs and in the very worst scenarios, loss of life or serious injury to staff and/or the public.

2.3 The Brigade has, in the past, expended lots of energy in attempting to define and identify risks but has spent less effort on actively managing risks once they have been assessed. Part of this has been due to difficulties in knowing how to move the risk conversation on, so that organisational risk exposure is reduced.

2.4 However, the research into external practice (including the HM Treasury assurance model) and the appointment of an experienced assurance lead (on a fixed term contract) has been a revelation, demonstrating the value of looking outside the fire and rescue sector for knowledge, expertise and good practice. Identification of significant risks to the Brigade's strategic priorities and the key controls to manage those risks, signposts where evidence based assurance should be sought as to the effectiveness of the risk controls and enable the identification of additional risk controls where risks are not being managed in line with the intended target score. The use of an inherent, current and target risk scoring methodology further enables the Brigade to prioritise actions to more effectively manage risks that threaten the achievement of the Brigade's strategic objectives.

2.5 As part of the transformation work, risk registers have now been refreshed across the organisation. This has enabled the creation of a Business Risk and Assurance Framework (BRAf) report. The BRAf report aggregates the Brigade's strategic risks under eight principal risk themes (PRTs) as a way of identifying the key controls most in need of assurance. However, there will be additional key processes, with associated key controls, that are not currently aligned to these principal risk themes. These will be picked up as part of the development of the enterprise assurance framework which will map the Brigade's key business processes and consider them alongside the Brigade's key risks in order to determine the priorities areas for assurance as well as an overarching corporate assurance assessment programme.

2.6 This is how the Brigade plans to move the risk conversation on and utilise the developing assurance function to determine and validate the priority key assurance areas for the Brigade.

2.7 The benefits from having an active risk and assurance function and an associated assurance framework means that the organisation will have enhanced capabilities to improve in the following areas:

- Compliance with statutory duties
- Compliance with regulatory requirements
- Compliance with Fire Standards
- Reduction in reputational risk
- Reduction in financial risk
- Reduction in risks of not meeting strategic objectives and priorities

2.8 The risk and assurance team will continue to embed the recently established departmental, directorate and corporate risk registers, enabling a broader and deeper understanding of the risks to the Brigade's strategic objectives and priorities, and how well they are being managed. It is not feasible to expect all staff to become experts in risk management and therefore an adequately resourced and skilled risk team will provide specialist support to enable the risk registers to be effectively managed to support prioritisation and decision making and deliver against the new risk management approach and enterprise assurance framework approved by the Commissioner and the Deputy Mayor.

2.9 The new risk management strategy was approved by Commissioner's Board (in May 2021) and subsequently the Deputy Mayor's Fire and Resilience Board in May 2021. The new enterprise assurance framework strategy has recently been approved by both the Commissioner and Deputy Mayor (April 2022).

2.10 A dedicated function to manage the relationship between the LFB and key external partners such as HMICFRS and NFCC will enable the organisation to drive change at a national level and ensure compliance at a local level.

2.11 The COVID pandemic has had a significant impact across the organisation, requiring business continuity arrangements to be enacted for the last 2 years. These arrangements have been centrally coordinated by the Business Continuity team throughout, supporting departments to adapt and overcome to the challenges presented by the pandemic. The learning from the events of the last 2 years requires a refresh of all departmental and corporate business continuity plans, together with the introduction of a more robust testing and exercising regime. Both outcomes will have an impact across all departments, which will be minimised by central coordination and support.

2.12 As a result of the pandemic we have greater understanding of the value the Business Continuity team adds at a more strategic level. There is recognition that the workload of this team is going to continue to increase and the team is not currently sufficiently permanently resourced to adequately support the organisation. This includes being available to continue to co-ordinate the Brigade's response to future business disruptions but also reviewing all departmental business continuity plans which will benefit in respect of consistency and effectiveness from the specialist support provided by the central team.

- 2.13 An adequately resourced team will also ensure the development and ongoing deployment of a robust testing and exercising regime that includes internal stakeholders and multi-agency partners. The proposed directorate structure anticipates the establishment of a team of three staff, mirroring the current interim capability, which has been enabled using temporary agency staff.

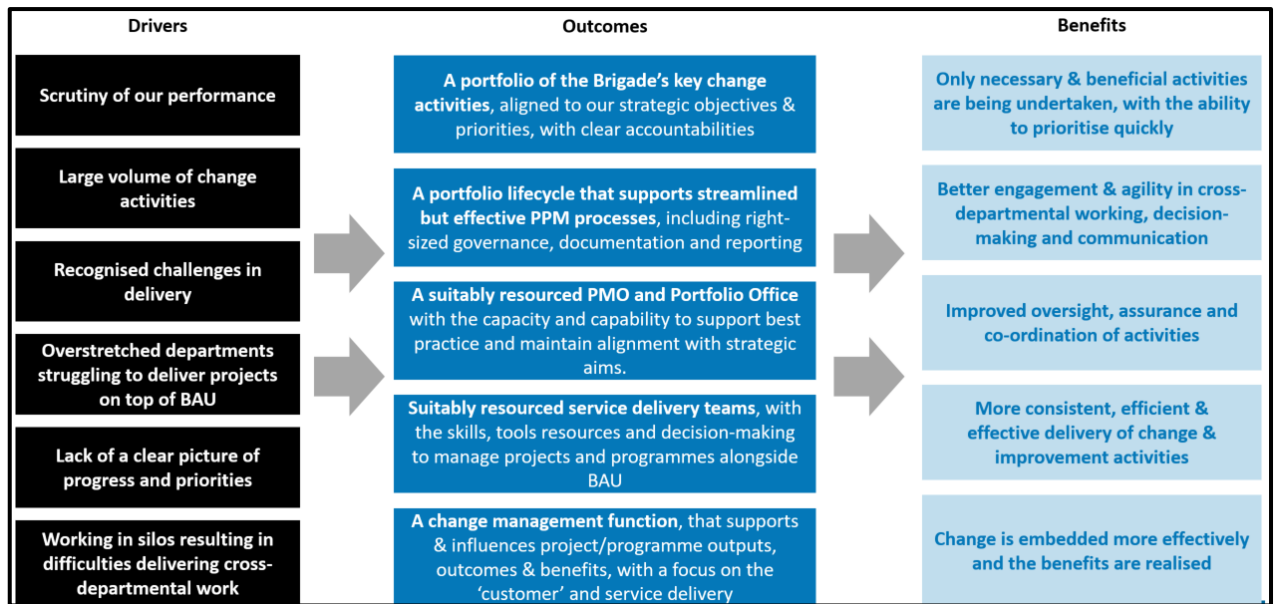
3 Strategic Planning

- 3.1 The creation of the Transformation Delivery Plan has generated an awareness of the benefits of defining the organisation's longer-term goals. The executive team agreed on the organisation's purpose and vision for the future which set the context for the improvements and changes required in response to the GTI and HMICFRS recommendations.
- 3.2 Previous plans, including London Safety Plans, had identified new service opportunities and areas for improvement, but without a clear, shared sense of the organisation's longer-term goals, it had been difficult to identify what actions mattered most and how to prioritise those improvement opportunities. As a result, efforts were sometimes spread too thinly, the potential benefits not always properly understood or fully realised and without a goal was difficult to measure progress and demonstrate the Brigade's achievements.
- 3.3 This led to criticism from HMICFRS following their first full inspection of the LFB in 2019. They recommended that "The Brigade should make sure it reviews how it allocates its resources to activities, based on the risks set out in the London Safety Plan". They found that "There is no longer a clear link between the Brigade's strategic direction and the London Safety Plan. Important projects are either stalled or behind schedule. We were told that the desire and capacity for change had slowed."
- 3.4 The role of the strategic planning function is to enable the LFB to express its strategic ambition and to create coherent, prioritised, sequenced plans to achieve it, rather than being merely responsive to changing circumstances. It will help the organisation to define its purpose, establish realistic goals, objectives and plans consistent with its vision and purpose which can be clearly communicated to the public. This will provide a base from which progress can be measured and assessed.
- 3.5 This will, in turn, create a focus for cultural change by enabling colleagues to identify with the organisation's goals, improving morale and giving people a clear sense of purpose.
- 3.6 The organisation has recently chosen to invest in the creation of a Target Operating Model (TOM) which is where this strategic ambition is expressed in full and the plans to achieve it have been developed. This provides a clear route to achievement, which together with clarity around ownership and accountability, will provide the framework against which decisions can be made and progress assessed.
- 3.7 This TOM enables the Brigade to distinguish between a good idea and a great idea, informing investment decisions and focusing limited financial and people resources on the activities that will make the most difference. It provides the evidence base to develop value cases which will inform funding bids and resource discussions with the Mayor and government.

- 3.8 A key function of the strategic planning team will be to maintain and adapt the TOM as necessary, providing the tools for managers and working with Communications to embed it across the organisation, holding the organisation true to those plans and working with the portfolio function to facilitate delivery of the transformation portfolio that it leads to.
- 3.9 The team will also lead the organisation in the development and regular renewal of its Community Risk Management Plan (CRMP) which is a statutory requirement of every fire service in England. The CRMP will set out the strategic ambition expressed in the TOM and its supporting plans. The team will also produce the Assessment of Risk in London and help the organisation develop its plans to respond to those risks, ensuring these plans are integral to the CRMP. The team will oversee community and staff input to the development of the CRMP and produce or co-ordinate the delivery of all relevant supporting documentation.
- 3.10 The strategic planning team will provide advice and support to the executive team, developing the strategic muscle of the organisation, keeping abreast of good practice in community risk management, and strategy development, both nationally and internationally across the fire sector, as well as in the wider public sector and commercial spheres.

4 Portfolio

- 4.1 The proposed new Directorate structure establishes a Portfolio team delivering Portfolio Management, an enhanced Programme Management Office (PMO) and Business Change capabilities that will support the implementation and embedding of the Brigade's new approach to deliver its transformational change. This includes the current 22/23 delivery plan, and our strategic aims and priorities set out in the CRMP.
- 4.2 Taking a Portfolio approach will enable the Brigade to effectively prioritise its change and improvement activities, taking into account its business as usual activities. It will also help to focus on an outcome and benefits-based approach, through the adherence to Programme and change management principles. Ultimately, this should result in efficiencies in delivery by maintaining a focus on the highest-priority activities and enabling more effective use of resources. In order to do this, the Brigade must also become better at defining, managing and delivering the benefits required from our chosen projects and programmes.
- 4.3 A portfolio approach will enable the Brigade to provide higher-level, more focused and better-quality reporting against the Brigade's improvement and transformation activities. This will help to improve confidence and transparency, both internally and externally, in the improvements we are delivering.
- 4.4 The following illustration provides a summary of the drivers, outcomes and benefits arising from the establishment of the Portfolio and Business Change capabilities. This provides the context and a reference point for the following sections of this report and will be referred to throughout.



4.5 In a report submitted to the LFC in March 2021 (LFC-0510) the drivers for this work were laid out in full, summarising the outcomes from a number of investigations into the Brigade's effectiveness including:

- The HMICFRS reports in December 2019 and in February 2021
- The Brigade's internal auditors (MOPAC) report on digital transformation
- The Brigade's Transformation Delivery Plan

4.6 All of which pointed to a need for the organisation to manage its resources more effectively in order to prioritise and deliver change and improvement activities, whilst making sure the changes and benefits are embedded into its ways of working and culture.

4.7 LFC-0510 also outlines the work carried out by consultants RedQuadrant between November 2020 and March 2021 to develop recommendations for introducing Portfolio Management and Business Change capabilities. The recommendations are summarised in LFC-0510 and contained in detail in the appended Portfolio Management and Business Change Blueprint.

4.8 A further piece of work was carried out by RedQuadrant between March 2021 and July 2021 to complete a gap analysis of the skills, experience and resourcing of project, programme, portfolio and change management. The purpose of this was to identify how the Brigade currently resource PPM, compared to what should be established in the future to manage and deliver its change activities. A separate report contains the findings of this gap analysis and the detailed recommendations, which feed into this report in terms of resourcing the solution. An overview of the findings is included as Appendix 2

4.9 If this approach is not taken and resourced appropriately the Brigade is at risk of not being able to meet its current obligations in terms of delivering the change required to fully meet the recommendations from the Grenfell Tower Inquiry and HMICFRS. In addition, it will be at risk of not being able to effectively address future needs generated by the new CRMP, GTI Phase 2, further HMICFRS inspections, Internal Audit, the Audit Commission and the Independent Operational Assurance Advisor, or the Manchester Arena Inquiry.

5 Performance Improvement

- 5.1 An adequately resourced and high calibre performance improvement team to enable the organisation to move from a focus on external reporting to development of a sophisticated performance management and continuous improvement culture. This will include development of internal performance measures which directly link to the aims of the CRMP and designing dynamic dashboards and reports to enable managers to assess whether they are a) making the improvements they expect to make and b) whether those improvements are having the impact they expect on the overall outcome. We will be strengthening the governance of performance through our board structures and supporting the LFB in development of a “golden thread” of information from the front line to the Commissioner. Performance will move to a monthly monitoring cycle using statistical process control charts to identify and address areas of underperformance across the organisation, whilst also identifying and share areas of good practice.
- 5.2 The establishment of a dedicated continuous improvement capability will enable the deployment of tools and techniques to empower anyone within the organisation to make change in their own areas. The role will be focussed on developing a continuous improvement strategy that will outline how we deliver this at scale. This will include developing new training materials, running workshops, upskilling existing staff to become local improvement champions and providing general support for embedding a continuous improvement culture.

6 Grenfell Tower Inquiry interface and support

- 6.1 For the past four years the Brigade has undertaken a comprehensive internal safety and learning investigation into the Grenfell Tower fire to identify organisational learning to inform improvements that deliver increased public and firefighter safety. This work, led by an Assistant Commissioner, is now coming to a conclusion and the Grenfell Tower Investigation and Review Team (GTIRT) was wound down at the end of 2021.
- 6.2 The Board is asked to note that under a separate paper the previous AC GTIRT has been reemployed into a part time non-operational TMG post for a period of up to three years.
- 6.3 The creation of this post and re-employment will enable the Brigade to retain and utilise the comprehensive knowledge accrued since June 2017 to support subsequent stages of the GTI, the criminal investigation and any resulting prosecution, together with maintaining a consistent approach to the monitoring and assurance of improvement actions to enhance public and firefighter safety.
- 6.4 Information on this post has been included for information and completeness, it is not subject to funding approval.

7 Service Delivery Assurance

- 7.1 The service delivery assurance function will provide assurance within the second line of defense and will be undertaken by staff separate from those responsible for the delivery of the service.

7.2 Currently in scope is all activity that delivers a service to (and interacts with) the community – now and in the future. This includes activities defined in the ‘service catalogue’ and will change in line with the Community Risk Management Plan (CRMP).

7.3 Work to establish the function will be undertaken within the Transformation Directorate and supported by stakeholders across the brigade.

7.4 The function works within the wider Enterprise Assurance Framework. Its focus is service delivery and its principle aim is to assure controls and outcomes and support service delivery to deliver the best possible service to the community. It will provide the same benefits as detailed within section two regarding the enterprise assurance framework.

7.5 The function will follow the same assurance principles as agreed within the Enterprise Assurance Framework and both functions will work closely together to promote and improve assurance practices across the brigade. It will also take account of the work delivered/planned by the Independent Operational Assurance Officer.

7.6 Information on this function has been included for information and completeness, it is not subject to funding approval.

8 Financial impact

8.1 The cost breakdown of this restructure is outlined in the table below

Reference	Department	Summary	Ongoing and one-off costs				core or reserve
			Additional Growth in 2022/23 £	Additional Growth in 2023/24 £	Additional Growth in 2024/25 £	Additional Growth in 2025/26 £	
G68	Transformation	TMG B - Professional Head of Business Services	118,595	-	-	-	core
G69	Transformation	TMG B - Professional Head of Portfolio	118,595	-	-	-	core
G70	Transformation	FRS G - Head of Performance Management	19,132	-	-	-	core
G71	Transformation	FRS F - Business Assurance Manager	69,773	-	-	-	core
G72	Transformation	FRS E - Business Continuity Officer	56,028	-	-	-	core
G73	Transformation	FRS E - Continuous Improvement Officer	56,028	-	-	-	core
G74	Transformation	FRS E - Business Assurance Officer	56,028	-	-	-	core
G75	Transformation	FRS D - NFCC Liaison Officer	50,434	-	-	-	core

G76	Transformation	FRS G - Portfolio Manager	88,905	-	-	-	core
G77	Transformation	FRS E - Portfolio Analyst	56,028	-	-	-	reserve
G79	Transformation	FRS E - PMO Analyst x 2	112,056	-	-	-	reserve
G80	Transformation	FRS G - Programme Manager x 1	88,905	-	-	-	core
		FRS G - Programme Manager x 2	177,810	-	-	-	reserve
G81	Transformation	FRS F - Project Manager	69,773	-	-	-	core
		FRS F - Project Manager x 3	209,319	-	-	-	reserve
		FRS E - Assistant Project Manager	56,028	-	-	-	core
		FRS E - Assistant Project Manager x 2	112,056	-	-	-	reserve
G82	Transformation	FRG G - Business Change Manager	88,905	-	-	-	core
		FRG G - Business Change Manager x 2	177,810	-	-	-	reserve
		FRS E - Senior Business Analyst	56,028	-	-	-	reserve
G84	Transformation	FRS D - Business Analyst	50,434	-	-	-	core
G85	Transformation	FRS D - Business Analyst	50,434	-	-	-	core
G86	Transformation	FRS D - Project Support	50,434	-	-	-	core
G87	Transformation	FRS D - Reporting Officer	50,434	-	-	-	core
		FRS D - Reporting Officer	50,434	-	-	-	reserve
G88	Transformation	DAC - Transformation	117,567	-	-	-	core
G89	Transformation	SC - Business Assurance	87,591	-	-	-	core
G91	Transformation	Training to build capability amongst Directorate staff	40,000	-	-	-	core
		Additional training spend from reserves	20,000	-	-	-	reserves
G92	Transformation	Growth to accommodate current subscriptions paid for by S&R for the whole organisation - CFOA, Association of Project Management, Survey Monkey	11,000				core
G93	Transformation	ICT budgets will need to reflect Transformation					

		Directorate staffing growth					
Total Expenditure Core	£1,395,023						
Reserve	£971,541						

***please note all reserve funded posts are for two years only**

8.2 The 2022/23 Budget Submission (LFC 0679) included core ongoing growth for transformation of £1,488,000 in 2022/23 and future years funded from the existing transformation budget, with temporary growth of £971,541 for 2 years (totalling £1,943,082) to be funded from the transformation reserve. The temporary element of this growth is required for two years but is likely to be spent across three financial years and will be funded from the Transformation Reserve. This remains a risk on the precise timing of costs whilst the recruitment path for these posts is profiled.

8.3 The additional £11k for subscriptions is required as the Transformation directorate pays for both the Chief Fire Officers Association subscription and the corporate Association of Project Managers subscription. Currently the subscription budget is £56k budget and therefore an increase is required to cover these subscriptions.

8.4 Therefore, this report recommends that the total ongoing cost of £1,395,023 is agreed, for which funding was included in the LFB's final budget report for 2022/23. This report also recommends that temporary expenditure is agreed for a two-year period of £971,541 annually, at a total cost of £1,943,082, to be funded from the Transformation Reserve.

8.5 In the current climate transformation for LFB is not a choice but a necessity. Achieving transformation will require building capacity and capability within the directorate, whilst the cost associated with this is significant, research shows that transformation does come at a cost. This business case also illustrates the benefits that can be delivered as a result of this transformation which, without the additional funding will not be realised.

8.6 It is possible by creating an environment where we have a better, more transparent understanding of our strategic direction, our portfolio of work and its status, our risks and controls and their status we may find ourselves open to greater scrutiny and challenge. However, we will be far better placed to demonstrate our control of delivery, prioritisation of budget and resource, articulation of the benefits and changes we are delivering by firmly embedding these skills and capabilities.

9 Equality comments

9.1 The LFC and the Deputy Mayor for Fire and Resilience are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in

broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.

9.2 It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.

9.3 The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.

9.4 The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:

- eliminate discrimination, harassment and victimisation and other prohibited conduct
- advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it
- foster good relations between people who share a relevant protected characteristic and persons who do not share it.
- Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
 - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

9.5 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

9.6 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- tackle prejudice
- promote understanding.

9.7 A full EIA is included as Appendix 3

10 Financial comments

10.1 This report recommends that the new structure for the Transformation Directorate is agreed at an ongoing cost of £1,395,023 from the 2022/23 financial year. The report also recommends

that additional annual funding £971,541 for 2 years (totalling £1,943,082), to be spent over 3 financial years, is agreed to be funded from the transformation reserve. The Transformation Reserves had a balance of £3,281,000 as at the end of the 2021/22 financial year, which the recommended draw of £1,943,082 over 2 years would reduce to £1,337,918.

10.2 The funding for this along with the draw on the transformation reserve were included in the LFC's Budget Submission to the Mayor in November 2021 (FP1141) and then subsequently agreed as part of the LFB's final budget report for 2022/23 (LFC-0679). These reports set out the costs, staffing requirements and what this additional funding will deliver, with £1,488,000 agreed in ongoing funding and a draw on reserves of up to £2,000,000 over two years. The proposed spend in this report represent a slight reduction to this of £93,068 for the ongoing cost and £56,928 reduction in the planned draw from reserve. These costs estimates are dependent on the outcome of job evaluations and actual costs may differ, but will be contained within the overall cost envelope proposed.

10.3 The staff cost estimates included in this report were based on 2021/22 staff cost estimates and as a result were before the agreement of the 1.5 per cent pay award for FRS staff. The cost of the 2021/22 pay award will be contained within the total funds available set out above, with subsequent pay awards budgeted for as part of the LFB's financial estimates for future years. Staff budgets are also be updated annually for pay progression and actual staff costs incurred and reflected in the LFB's budget estimates for future years.

10.4 The report also sets out an increase in the budget for subscriptions of £11,000 which is included in the estimates above.

11 Legal comments

11.1 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "Commissioner") is established as a corporation sole with the Mayor appointing the occupant of that office. Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the Commissioner specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.

11.2 By direction dated 1 April 2018, the Mayor set out those matters, for which the Commissioner would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor"). Paragraph (b) of Part 2 of said direction requires the Commissioner to seek the prior approval of the Deputy Mayor before "[a] commitment to expenditure (capital or revenue) of £150,000 or above as identified in accordance with normal accounting practices...".

11.3 In accordance with Section 5A Fire and Rescue Services Act 2004 (FRSA 2004), the London Fire Commissioner, being a 'relevant authority,' may do 'anything it considers appropriate for the purposes of the carrying- out of any of its functions...'

11.4 Section 1 of the Fire and Rescue Services Act 2004 states that the Commissioner is the fire and rescue authority for Greater London. The Commissioner is also a 'best value' authority under the Local Government Act 1999 and must 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.

11.5 This report builds on the mission, aims and objectives previously approved for the Transformation Directorate and sets out the proposed directorate structure.

11.6 The recommendations in this report relate to the required funding levels to achieve this ambition. The recommendations, if approved, will not prevent the Director from altering the directorate structure, the number of roles or the composition of those roles so long as any changes are undertaken in line with the Commissioner's Scheme of Governance and the Commissioner's usual employment and management practices.

List of Appendices

Appendix	Title	Open or confidential
1.	Proposed Transformation Directorate structure	Open
2.	Transformation Directorate Portfolio approach	Open
3.	Transformation Directorate restructure equalities impact assessment (EIA)	Open

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

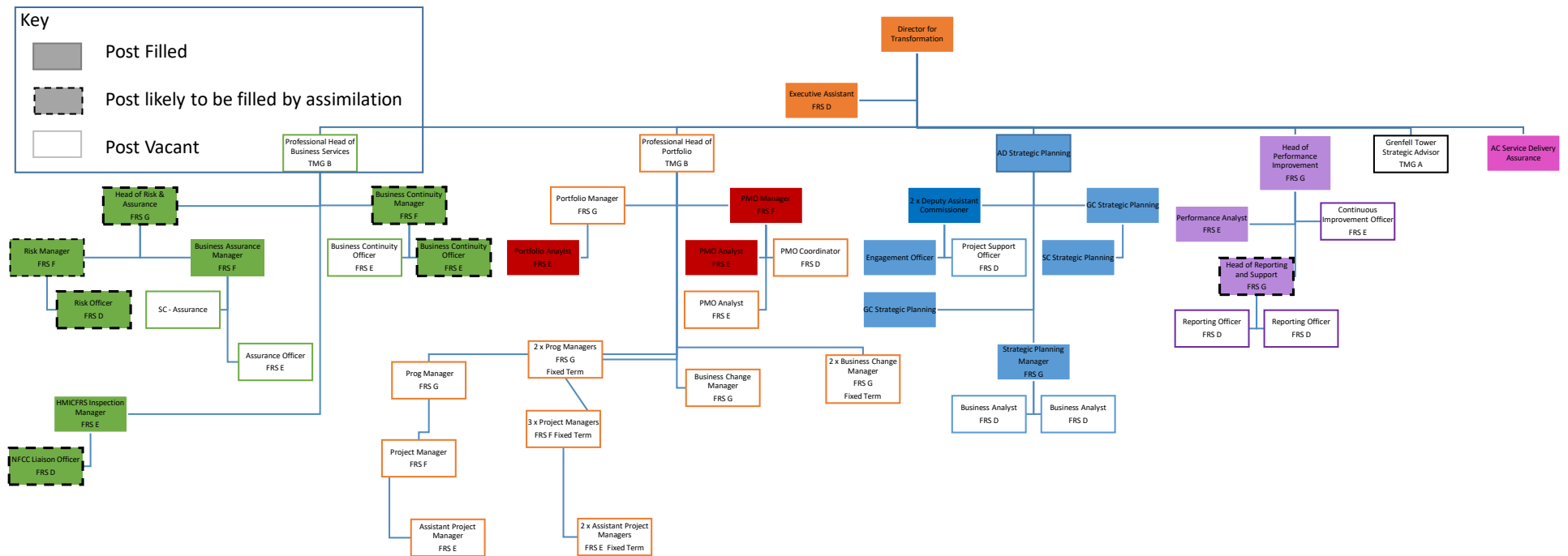
Is there a part 2 form – NO

<p>ORIGINATING OFFICER DECLARATION:</p> <p>Drafting officer Rachel Wetheridge has drafted this report and confirms the following:</p> <p>Director Fiona Dolman has reviewed the documentation and is satisfied for it to be referred to Board for consideration.</p> <p>Advice The Finance and Legal teams have commented on this proposal;</p> <p>Thomas Davies Legal Advisor, on behalf of General Counsel (Head of Law and Monitoring Officer)</p>	<p>Drafting officer to confirm the following (✓)</p>
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David O'Sullivan Financial Advisor, on behalf of the Chief Finance Officer	
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Appendix 1 – Proposed Transformation Directorate structure

Proposed Strategy and Transformation directorate



Key principles of design:

- No more than 4 layers in the hierarchy, flat structure for faster decision making, transparency and access to leadership
- Each role is specialist with clear accountabilities rather than multi-purpose roles

Appendix 2 – Transformation Directorate budget proposal slides

Our biggest investment request is in Portfolio, programme, Project Management and Business Change. Why?

- There are significant issues with the way the Brigade manages and delivers its change activities. Of the current **22 formal Corporate Projects** in the Brigade's Portfolio, 12 out of 22 (or 55%) have been formally re-baselined, with 4 having been re-baselined twice. 17 out of 22 (or 77%) have had their end dates moved back, with 13 of these having had their end date moved two times or more.
- Qualitative evidence gathered during the PPM capability skills gap assessment demonstrated that the LFB is currently placing an unrealistic demand on staff managing projects and programmes, both in terms of their capacity to do the work (many are working above their core hours, with PPM carried out over and above their 'day job' and/or operational responsibilities) and their capability (the majority do not have appropriate skills, experience or confidence to manage the work well).
- The HMI identified that 'many important projects had stalled, meaning that planned improvements agreed with the public hadn't happened'.
- A Portfolio Office, 'Activist' PMO and central Business Change capability are needed to support and manage the portfolio approach and more effective project and programme management processes
- The skills gap analysis demonstrates that the Brigade has significant skills gaps that are undermining its ability to deliver major projects, programmes and change or to create and manage a portfolio
- Closing these gaps in skills and capacity will require a combination of short-term actions to address immediate needs and longer-term capacity, talent development and investment
- It is also vital that demand is monitored and managed as part of project, programme and portfolio management to ensure that it does not exceed LFB's capacity

- *The next 4 slides provide an overview of the Skills gap analysis*

Skills gaps project management

	Skills	Experience	Capacity
Current	There is evidence of skills from basic to practitioner, but relatively few personnel have formal qualifications or accredited training	There is evidence of people with experience from small to large organisation-wide projects. However, many assess their own skills as working rather than proficient or expert	Capacity is limited with relatively few full time project managers and many taking this role on in addition to a another role. Overall in our judgement it is below what is needed to support effective project management
Future	Based on current change plans there is a need for more people with project skills, particularly at practitioner and expert levels	There will be a need for more people with experience of large complex projects and working within programmes and portfolios	LFB will need to develop and expand its 'talent pool' and in particular the number of full time professional project managers capable of delivering major projects

Frameworks and process were explored in earlier work on portfolio implementation and assessed as weak or absent, what process exists is basic and tends not to be used

Skills gaps programme management

	Skills	Experience	Capacity
Current	Few personnel have formal qualifications or accredited training. Very few have the practitioner or expert skills needed for large complex change	LFB lacks programme management processes and personnel will probably have gained experience outside the organisation. There is very little experience among those managing and sponsoring current major projects	Capacity is very limited to the point where there is low to no capacity for management of major programmes. There is a skills and experience base to build from, but it's weak
Future	Based on current change plans having more people with programme skills, particularly at practitioner and expert levels will be critically important	There will be a need for more people with experience of large complex programmes and working within portfolios	LFB will need to develop and expand its 'talent pool' and in particular the number professional experienced programme managers

Frameworks and process were explored in earlier work on portfolio implementation and assessed as largely or entirely absent

Skills gaps change management

	Skills	Experience	Capacity
Current	We were unable to identify any personnel with formal qualifications or training in this skills area	We identified 32 people with experience of change management but only 2 who described themselves as 'expert'. The majority have experience of relatively small local change	Capacity is very limited, particularly in regard to implementing major organisation-wide change
Future	Based on current change plans having more people with change skills, particularly at practitioner and expert levels will be critically important to delivering transformation	There will be a need for more people with experience of large complex change and working within programmes and portfolios	LFB will need to develop and expand its 'talent pool' and in particular the number experienced change managers. It is also likely to need to recruit in experienced experts to navigate the early stages of its transformational change and support key projects and programmes



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Transformation

Appendix 3 -

Directorate restructure equalities impact assessment (EIA)

Equality Impact Assessment (EIA) Form

The **purpose** of an EIA is to give **as much information as possible** about potential equality impacts, to demonstrate we meet our **legal duties** under the Equality Act 2010.

Please read the EIA Guidance [on Hotwire](#) before completing this form.

Once you open the template please save it on your OneDrive or SharePoint site. Do not open the template, fill it in and then click Save as this will override the template on Hotwire.

1. What is the name of the policy, project, decision or activity?

Transformation Directorate restructure report

Overall Equality Impact of this policy, project, decision or activity (see instructions at end of EIA to complete):

High		Medium		Low	X
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2. Contact details

Name of EIA author	Rachel Wetheridge
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Department and Team	Transformation Directorate
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Date of EIA	27/04/2022
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3. Aim and Purpose	
What is the aim and purpose of the policy, project, decision or activity?	<p>This EIA is being written specifically to support the proposal for the restructure of the Transformation Directorate and will support the</p> <p>The paper sets out the proposed restructure of the Transformation Directorate. The new directorate structure will support LFB to deliver against the recommendations and actions from the HMICFRS inspections and the first phase of the Grenfell Tower Inquiry in a sustainable way. It is essential that these recommendations are fully addressed as soon as reasonably practicable.</p>
Who is affected by this work (all staff, specific department, wider communities?)	<p>All staff within Strategy and Risk as well as some staff from the Grenfell Tower Investigation Review Team will be affected by the proposed changes. This is due to the reorganisation of roles and teams within the new structure, there are also many new posts available so may expand some individuals line management responsibilities.</p> <p>We are seeking investment for the following posts:</p> <p>2 x TMG B</p> <p>4 x FRS G</p> <p>3 x FRS G temp</p> <p>2 x FRS F</p> <p>3 x FRS F temp</p> <p>5 x FRS E</p> <p>6 x FRS E temp</p> <p>4 x FRS D</p> <p>1 x FRS D temp</p> <p>1 x DAC</p>

	1 x SC
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4. Equality considerations: the EIA must be based on evidence and information.

What consultation has taken place to support you to predict the equality impacts of this work?	Consultations with Trade Unions will take place regarding the implementation of the new structure, including the assimilation of staff into new posts.
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5. Assessing Equality Impacts

Use this section to record the impact this policy, project, decision or activity might have on people who have characteristics which are protected by the Equality Act.

Protected Characteristic	Impact: positive, neutral or adverse	Reason for the impact	What information have you used to come to this conclusion?
<i>Example: Age</i>	<i>Adverse</i>	<i>Moving this service online will adversely affect older people, who are least likely to have access to a computer or smart phone and may not be able to use the new service.</i>	<i>GLA Datastore: X% of the London community are aged 70 or over. GLA data shows that only 10% of those over the age of 70 have regular access to a computer or smart phone.</i>
Age (younger, older or particular age group)	Positive	<p><i>The new positions when advertised will be applied equally to all employees under all nine protected characteristics including age.</i></p> <p><i>Internal applicants will be strongly encouraged to apply, however the new positions will also be open to external applicants.</i></p> <p><i>There is an opportunity to improve representation under all characteristics at TMG and at FRS G level</i></p>	



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Disability (physical, sensory, mental health, learning disability, long term illness, hidden)	Positive	<i>Brief and advertise roles via DWG, and neurodiversity ESG.</i>	Adverts All adverts have the following statement: We value the diversity of our employees and aim to recruit a workforce which reflects our diverse communities across London. The London Fire Commissioner is an Equal Opportunities Employer and we positively welcome applications from all suitably qualified individuals, irrespective of people's age, disability, gender, race or ethnicity, religion or belief, sexual orientation, or other personal circumstances. We have guidance in place to ensure that all applicants are treated fairly and consistently at every stage of the recruitment process, including the consideration of reasonable adjustments for people who have a disability. <i>On-line application form</i>
Gender reassignment	Positive	<i>The new positions when advertised will include a statement that invites applications from</i>	



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(someone proposing to/undergoing/ undergone a transition from one gender to another)		<i>underrepresented and protected characteristic groups</i>	
Marriage / Civil Partnership (married as well as same-sex couples)	Positive	<i>The proposed roles will be normal working hours/flexible working/remote working which supports family life</i>	Flexible Working Policy incorporating new home working policy
Pregnancy and Maternity	Positive	<i>The proposed roles will be normal working hours/flexible working/remote working which supports family life</i>	Flexible Working Policy incorporating new home working policy
Race (including nationality, colour, national and/or ethnic origins)	Positive	<i>There is an opportunity to consider positive action in terms of recruitment – e.g. where ethnically diverse staff are underrepresented</i>	Outreach team support Supports Togetherness Strategy (action 14 to support and develop inclusive leaders at all levels of the organisation to have increased confidence and ability to lead inclusively)

			Ethnicity pay gap report and improving representation
Religion or Belief (people of any religion, or no religion, or people who follow a particular belief (not political))	Positive	<i>The new positions when advertised will include a statement that invites applications from underrepresented and protected characteristic groups</i>	
Sex (men and women)	Positive	<i>There is an opportunity here to increase representation at a senior level. Overall, the London Fire Brigade continues to have pay differentials in favour of women for median and mean pay rates</i>	Gender pay gap report
Sexual Orientation (straight, bi, gay and lesbian people)	Positive	<i>The new positions when advertised will include a statement that invites applications from underrepresented and protected characteristic groups</i>	

6. Impacts outside the Equality Act 2010

What other groups might be affected by this policy, project, decision or activity?



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Consider the impact on: carers, parents, non-binary people, people with learning difficulties, neurodiverse people, people with dyslexia, autism, care leavers, ex-offenders, people living in areas of disadvantage, homeless people, people on low income / in poverty.

As above

7. Legal duties under the Public Sector Equality Duty (s149 Equality Act 2010)

How does this work help LFB to:

Eliminate discrimination?

The individuals recruited for the new positions will be based on their skills and/or experience. Hiring managers will be encouraged to participate in assessor panel training to elevated bias when recruiting.

Advance equality of opportunity between different groups?

Mixture of internal and external post holders under the new proposal will assist in building a strong knowledge base and expertise. Skills training will be part of development contributing to positive action. Additionally, we will undertake positive action in recruitment both internally and externally.



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Foster good relations between different groups?	To share good practice/expertise – consulting with Equalities Support Groups and keeping Trade Unions informed

8. Mitigating and justifying impacts

Where an **adverse** impact has been identified, what steps are being taken to **mitigate** it? If you're unable to mitigate it, is it **justified**?

Characteristic with potential adverse impact (e.g. age, disability)	Action being taken to mitigate or justify	Lead person responsible for action
Level of experience required at the proposed levels may inadvertently disadvantage younger applicants,	JDs include relevant qualifications or experience	Hiring managers

Now complete the RAG rating at the top of page 1:

High: as a result of this EIA there is evidence of significant adverse impact. This activity should be stopped until further work is done to mitigate the impact.

Medium: as a result of this EIA there is potential adverse impact against one or more groups. The risk of impact may be removed or reduced by implementing the actions identified in box 8 above.

Low: as a result of this EIA there are no adverse impacts predicted. No further actions are recommended at this stage.



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Document Control

Signed (lead for EIA / action plan)			Date	
Sign off by Inclusion Team			Date	
Stored by				
Links				
External publication	Are you happy for this EIA to be published externally?	Yes <input type="checkbox"/>	No <input type="checkbox"/> If No state why:	