

Subject: Chief Officer's Transformation Programme

Report to: GLA Oversight Committee

Report of: Chief Officer

Date: 30 January 2019

This report will be considered in public

1. Summary

- 1.1 New funding of £1.5m has been put aside in the GLA: Mayor 2019-20 budget for the delivery of the new Chief Officer's early priorities related to key workforce issues. This paper summarises how this funding will be used, in advance of this being confirmed via the Greater London Authority's (GLA) normal decision-making processes.

2. Recommendation

- 2.1 **That the Committee notes the report.**

3. Background

- 3.1 This paper lays out the new Chief Officer's priorities for the £1.5m Transformation Fund. It will not come as a surprise to Assembly Members as, individually, the issues arising have been flagged through the regular workforce reports, the last staff survey, discussion at the Budget and Performance Committee and as Mayoral priorities, and work has already started to address most of them. However, this is the first time they have been brought together in the integrated programme of change the Chief Officer is now proposing.
- 3.2 The current priorities come about in part as a result of pressures which have been building over a considerable time and in part as a result of the priorities of the current Mayoral administration:
- Going into 2019, the GLA is a very different organisation to the one envisaged when the GLA started life in 2000. While the growth in staffing over time (from the workforce of up to 400 envisaged at the creation of the GLA to an establishment of 1,140 now) is perhaps the most tangible sign of change, this growth has itself been driven in part by a significant broadening of the GLA's responsibilities over time. These in turn have shifted the focus of the organisation from entirely strategic to a mixture of strategic and delivery roles – the responsibilities for housing delivery added in 2012 and those that are coming with the devolution of adult skills this year are two examples of moves into delivery. This also means

that the range of professional skills needed in the GLA's workforce has broadened significantly over time.

- Over the same period, the world of work and public service has changed dramatically, not least as a result of advances in technology, increasing recognition of the benefits of accessing the best available talent, and the changing expectations of individuals as they assess their options for employment. However, the support services within the GLA – Information Technology (IT), Human Resources (HR) and Facilities Management (FM) – and the policies and procedures which underpin their services, have not been re-thought for some years. Most of the HR policies, for example, have not been substantially reviewed for ten years (beyond being kept in line with changing employment law) while the pay and grading structure is over fifteen years old and operational processes remain too paper-based and reliant on manual intervention. Little has been done to date to adapt the GLA's recruitment and talent management strategies to ensure diversity at all levels. And while the IT and FM teams have made some recent changes to facilitate more intensive use of the office capacity the GLA has, and to enable some members of staff to work remotely, much more action is needed in light of current IT service and accommodation pressures.
- Overlaid on the priorities arising from the changed organisation that the GLA has become over time, are the priorities of the current Mayoral administration, related in particular to the aspiration for the GLA to be an exemplar employer, leading by example, and the wish to maximise the opportunities across the GLA Group for efficiencies by sharing additional services where there is value in doing so.
- Delivering the aspiration for the GLA to be an exemplar employer needs greater focus from senior officers and an acceleration of pace now, specifically to:
 - Recruit and retain a workforce that better reflects London's diversity, including at senior levels;
 - Reduce pay gaps between different groups further so that they are not statistically significant; and
 - Create an open and inclusive culture and make sure that the GLA remains a great place to work.
- Additionally, GLA senior management needs to give further thought to assessing the benefits to the GLA of sharing services with other members of the Group. The new Group Collaboration Board, chaired by the Mayor's Chief of Staff, has been established to explore and deliver such opportunities, but the GLA needs to be much more proactive in proposing short- and medium-term opportunities for efficiencies to this Board and, where they are accepted, supporting their realisation. The re-think of IT, FM and HR services proposed in this paper offers a timely opportunity to consider shared service opportunities.

4. Issues for consideration

AN INTEGRATED PROGRAMME OF CHANGE

4.1 Work has already started in many of the areas highlighted above, but much of it needs accelerating. The different strands of work also need bringing together into an integrated programme which recognises the many dependencies across this work and provides the necessary co-ordinated leadership to it. The programme needs to be resourced now by additional professionals with the right capability to bring about the change the GLA needs *and* the capacity to give sufficient time to the delivery of these priorities, rather than, as now, largely trying to find time in already very busy 'day' jobs.

4.2 The Chief Officer is proposing three workstreams, each with clear delivery objectives:

A talent attraction, management, diversity and inclusion workstream to deliver:

- A re-statement of the GLA's purpose and values as a body of staff which serves the Mayor and Assembly Members across four-year terms, as an important set of underpinning principles for how GLA staff behave, what the GLA seeks in people who join the organisation and progress within it, and what they in turn can expect from the organisation. It is interesting to note that, although there is a link on the GLA's website to a set of GLA values dating back to 2009, these are not used or publicised internally. There is also evidence of some teams developing their own values in the absence of any corporate ones.
- A re-thought approach to talent attraction which makes a demonstrable difference to the diversity of the external applicants the GLA attracts to advertised roles in 2019-20. Current recruitment activity is not attracting candidates in sufficient numbers from all communities and, as a result, it does not consistently achieve diverse shortlists and the rate at which the GLA is improving the representation of black and ethnic minority (BAME) staff and staff with disabilities is too slow. The GLA needs to understand and address the reasons for this, whether they are linked to how it is perceived by particular groups as a prospective employer, its recruitment and selection approaches, the requirements set for its roles at different levels, or something else.
- Consideration, as part of a re-thought approach to talent attraction, of whether the GLA should approach more of its recruitment on a cohort basis, given how successful the GLA is every year in attracting a highly diverse pool of candidates to its apprenticeship programme using this approach. There are a number of roles across the organisation which could, on the face of it, be recruited to in this way.
- A rigorous, systematic approach to talent management which will include as an immediate priority a programme of positive action to support the progression of BAME staff in order to make a demonstrable difference to the GLA's retention rate for BAME staff and their representation in more senior roles in 2019-20; it will also include support for the second 'Our Time' cohort as part of continuing work to eliminate the reducing gender pay gap.
- A review of the many fixed-term roles to consider the extent to which on-going use of fixed-term roles does or does not hinder the GLA's ability to attract the best, most diverse talent into them and whether making any of the current fixed-term roles into permanent positions would be appropriate, given the nature of their responsibilities.

- A review of the GLA's pay and grading structure and consideration of the extent to which it is or is not limiting its ability to attract and retain the best, most diverse talent.

A **new ways of working workstream** to deliver:

- A re-think of the way GLA staff are asked to work, and how they are supported to do so by IT kit and infrastructure, by updated HR policies and procedures, and by other changes, as the GLA seeks to maximise the use of the accommodation it has at City Hall, Union Street and the Royal Docks and, ideally, to prevent the need to secure any additional accommodation in future.
- In light of this re-think, a 'stock take' of the GLA's current IT strategy and the priorities within it to include a standardisation of the 'package' / 'packages' of IT kit issued to staff.
- A root and branch review of GLA HR policies so that they fully support the agreed new ways of working.
- Costed recommendations for any changes required to the space the GLA occupies in City Hall, Union Street and the Royal Docks to maximise its usage as desk, meeting and collaboration space, and for the IT changes which might be required to support this.
- Continual assessment of the advantages and disadvantages to staff of proposed changes to ways of working and their potential impact on talent attraction, management, diversity and inclusion.
- Development of a new recharge mechanism for the full IT, HR and FM costs associated with new members of staff to ensure that such costs are automatically costed in to business cases and charged to the hiring department's budget, rather than being met by IT, HR and FM budgets, and retrospectively at that, as they do now.

A **shared services workstream** to deliver:

- An assessment of the services the GLA would like to share/buy-in from other members of the GLA Group across its HR, IT and FM functions and the potential benefits of doing so for presentation to and discussion with the Group Collaboration Board.
- Leadership of consultation on/implementation of proposals, on the GLA side, if and when they are accepted by the Group Collaboration Board.

PROPOSED USE OF FUNDING

- 4.3 This Transformation Programme is designed to accelerate the delivery of a number of already identified priorities, while ensuring that the dependencies between them are properly recognised to ensure that the benefit of the overall programme is maximised. But at the same time the Programme will determine the future shape of the GLA's FM, HR and IT services, both because their future capability and capacity will need to reflect the ongoing delivery of these priorities as 'business as usual', and because a renewed focus on sharing more services within the GLA Group may bring changes to these services.

4.4 Quite a lot of the activity laid out in this paper is already funded, at least in part. The new funding will be used to provide:

- Some immediate, new and dedicated capability and capacity in the area of talent management which the GLA does not currently have in the HR team and without which the GLA will not be able to deliver the priorities laid out in this paper. Within the Programme the GLA will seek to create two senior, interim roles to focus on transforming our talent management approach, including the delivery of a progression programme for BAME staff. Whether or not these exact roles or different ones are needed long-term in the HR team will also be determined as part of this Programme.
- At the moment, there is only one role dedicated to diversity and inclusion, the Diversity & Inclusion Manager, which is fixed-term and expires at the end of this coming March. The proposal is to make this role permanent now.
- Some immediate dedicated capability and capacity to lead on the stock take of the IT strategy and its priorities and a review of the kit 'packages' issued to staff. While it is likely that the HR team going forward will need to have a greater emphasis than now on talent attraction and management, the additional IT resource needed within the Programme will not be needed permanently. The GLA is likely to buy in consultancy support for this, rather than increasing its internal IT headcount, even temporarily.
- Further professional advice on options for maximising the use of current accommodation and, potentially, the completion of work to achieve this.
- Additional professional advice on the appropriate suite of HR policies which are needed to allow the GLA to develop these at pace.
- Programme management and administrative support to the Programme to accelerate delivery.

STAFFING IMPLICATIONS

4.5 The main staffing implications of this Programme will come from the assessment of opportunities to share / buy-in services from other members of the GLA Group and/or to provide services to other parts of the Group. Proper assessments of these opportunities will need to be undertaken for HR, IT and FM, but early discussions are likely to cover:

- Recruitment services – Transport for London (TfL) has already agreed to undertake the recruitment of the eighteen new posts in the Royal Docks team on which the Mayor and the GLA Oversight Committee were consulted in December 2018 and the plan is to commission the TfL team for other new Housing and Land Directorate roles as well. This work will provide an early indication of the benefits of a more formal, broader arrangement with them as part of our consideration of a review of our recruitment service and processes.
- HR system and payroll services – the GLA needs to procure a new HR system and payroll provider by 2020 and aligning its systems with others in the Group could well bring benefits.
- Learning and development provision – much of the Programme's work will have an influence on the future needs for learning and development. As this work progresses, it will make sense to explore how other members of the Group source what they need and the possibilities for sharing resource and/or providers.

- Estate management – the GLA is already talking to and learning from other members of the GLA Group about approaches to managing accommodation pressures and other issues which they have successfully implemented or are planning to. Again, it will make sense to explore shared service options across the Group early in the Programme.
- IT services – as the GLA takes stock of its IT strategy, it will review the extent to which it aligns with other members of the Group and the options this offers for shared services in the short- to medium-term.

4.6 As the cases to reshape HR, FM and IT are developed, bringing together changes to reflect the ongoing delivery of Transformation Programme priorities as ‘business as usual’ and changes from proposals to move to some shared services, the Mayor, Assembly Members and staff will all be consulted in the normal way.

PROGRAMME GOVERNANCE

4.7 The GLA’s Chief Officer will be the Senior Responsible Officer for the Transformation Programme and will establish arrangements to ensure that all key stakeholders are appropriately engaged in the programme and that all proper consultation processes are followed at the right time.

5. Legal implications

5.1 There are no specific legal issues arising.

6. Financial implications

6.1 As noted above, £1.5m has been included in the Draft GLA Budget for 2019-20 for the Chief Officer’s Transformation Fund.

List of appendices to this report: None

Local Government (Access to Information) Act 1985	
List of Background Papers: None	
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