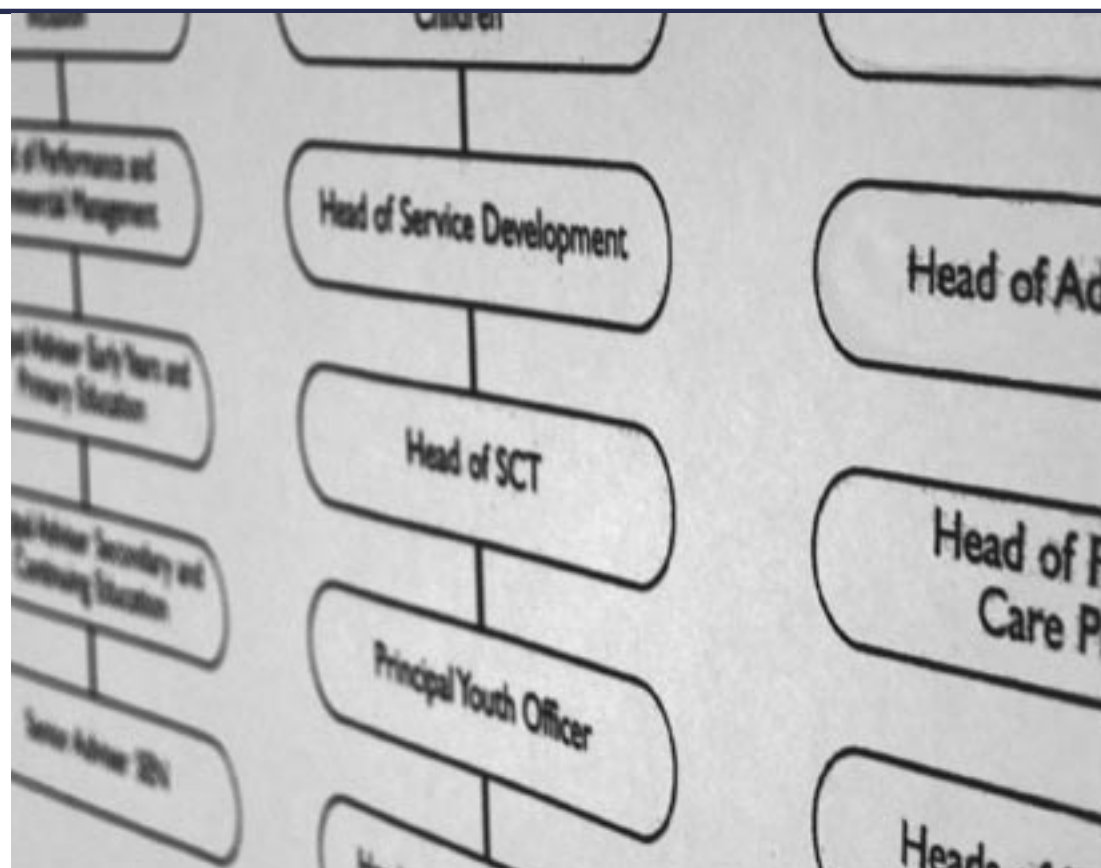


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# A Guide to Local Education & Children's Services Restructuring

second edition

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# Contents

## **4 INTRODUCTION**

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## **5 EFFECTIVE ORGANISATIONAL STRUCTURES**

---

## **8 GUIDANCE FOR ASPECT LOCAL REPRESENTATIVES**

---

## **11 CONCLUSION**

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# 1 Introduction

## Every Child Matters

**1.1** This guide has been updated and re-issued in light of the growing impact of the *Every Child Matters* agenda on local authority education and other children's services, which is now resulting in widespread service restructuring in local authority education and children's services departments throughout England, Scotland and Wales.

**1.2** At root, the national ECM agenda is driven partly by 'borrowing' ideas from progressive north European traditions of social pedagogy (where formal education is linked to informal education, children's social care and health services, to support the development of the 'whole child') and partly by the quasi-market concept of some level of separation between local service commissioning and actual delivery.

**1.3** This document is presented in two parts. It is designed to be of practical use to Aspect local representatives and managers when involved with such a restructuring exercise affecting the local school improvement and related services within a local authority. It is not exhaustive and does not cover every issue likely to arise in a restructuring process. Aspect's aim is to assist the parties to work in partnership to reach a mutually acceptable outcome, through a process of meaningful consultation and negotiation.

**1.4** The first section of this guide describes five key design elements required to make an organisational structure 'fit for purpose' and draws on relevant work undertaken by Ashridge Strategic Management Centre.

**1.5** The second section consists of Aspect guidance on how to proceed as a local representative in a restructuring process.

## The importance of consultation

**1.6** A restructuring exercise may lead to posts being declared redundant. In these circumstances there is a statutory duty on the employer to consult with representatives of recognised independent trade unions. In circumstances where no jobs are at risk of redundancy, it would nonetheless be a

matter of good industrial relations practice to establish joint consultation between the parties to consider the proposals for restructuring.

## Consultation

**1.7** For a definition of consultation, it is useful to turn to decisions made at the Employment Appeal Tribunal (EAT) where the question has been considered and guidance provided as follows:

"Fair consultation involves giving the body consulted a fair and proper opportunity to understand fully the matters about which it is being consulted, and to express its views on those subjects, with the consulting employer thereafter considering those views properly and genuinely," and "fair consultation means consultation when the proposals are still in the formative stage...with adequate time in which to respond."

*(Industrial Relations Law Reports, 1985 IRLR412)*

Aspect would expect nothing less in the important context of local school improvement and children's services.

## Negotiation

**1.8** Negotiation is a different form of two-way dialogue. It is defined as the process of bargaining between the parties to determine a mutually acceptable settlement of the terms and conditions of employment and working practices arising from the restructuring of a service.

## 'Ownership' of change

**1.9** It is important for all staff concerned with restructuring to understand the rationale behind local proposals for change and to feel they are included in and can influence the process. Regular meetings should assist this understanding, encourage debate and test ideas. Questions of work-life balance, training, continuing professional development and good working arrangements and relationships will need to be considered. Staff may then feel a genuine sense of 'ownership' when the process of change is under way.

## 2 Effective organisational structures

### 'Fit for purpose'

**2.1** An organisational structure needs to be 'fit for purpose' (Goold & Campbell, 2002, Ashridge Strategic Management Centre). Structures should be designed in a way which will enable them to achieve their objectives in the environment in which they operate.

**2.2** According to Goold and Campbell, there are four key design elements that should be used as specific reference points to justify a given structure in a commercial organisation. These have been specifically adapted here for application to school improvement and related services, with the addition of a fifth element of 'sustainability' seen as particularly relevant in terms of local government, as follows:

- ▲ The design of the structure facilitates a high quality of work in target areas
- ▲ The structure adds value to the achievement of organisational strategic goals
- ▲ The culture of the structure is characterised by commitment and personal/professional development
- ▲ The structure allows for a level of flexibility
- ▲ Strategic planning for the structure should demonstrate sustainability.

The *Every Child Matters* agenda envisages that there will be a level of local service commissioning from a potential range of providers. It may be necessary, therefore, for these elements to be carefully considered in the separate contexts of commissioning bodies and service delivery agencies.

Factors which may influence these elements are discussed below in more detailed terms.

### The design of the structure

**2.3** Structures are very important. They result in focusing management attention to different issues. For example, when there is a separation of business units into training and development for schools, on the one hand, and challenge and monitoring (getting to know strengths and weaknesses of schools) on the other, this may dilute the ability to focus on 'school improvement'.

**2.4** To achieve this, an ad-hoc body may have to be established to join these parts together and secure a clear focus on school improvement. However, if the structure itself focused on 'improving school performance – secondary and primary', then would this automatically encourage a different managerial approach?

**2.5** Questions such as this promote a better understanding of motives. Would such a structural approach look less at the school as a satisfied 'customer' and more at 'strategies' which place support closer to the teacher and pupil in the classroom in order to raise standards? In addition, would measures of success have greater clarity when pursuing such goals?

### The 'golden rule' is that 'structures' should follow 'strategy'.

**2.6** Strategy is a set of medium- and long-term plans which develop the capability of an organisation to meet its aims and objectives. Design failures often occur when managers do not define their priorities with sufficient rigour, or they do not give these priorities sufficient weight when working out the strategic design of the service.

### The first key element that justifies a structure is:

The design of the structure allocates sufficient management attention to the operating priorities and intended outcomes that demonstrate a high quality of work in its chosen areas.

### Strategies which add value across children's services

**2.7** The link between an overall children's services strategy and a developing structure has to be recognised. Such links are intuitively believed to be beneficial, and a range of groups with representatives from each business unit should be created to identify them. The benefits are in the value that should be added through information exchange, partnership

working, sharing good practice and the avoidance of tension where overlaps occur.

**2.8** A suitable and well-designed structure will affect the success with which the different units work together to promote faster progress in learning. A children's services directorate is often a portfolio of 'business units' operating in their own particular sector. Where problems occur some questions may be:

- ▲ Is there a lack of clarity about how each 'business unit' supports the others in terms of the achievement of the objectives of the children's services agenda?
- ▲ Do a significant number of layers for this purpose suggest the structure is not fit for purpose?
- ▲ Would greater clarity about the key outcomes from working together deliver a more effective structure?

Proposals from senior management in children's services about how such interdependency between business units delivers strategic goals will necessarily inform planning and budget setting to support such activity across the department.

### **The second key element that justifies a structure is:**

The new structure allocates sufficient attention to the means of adding value through effective working relationships between units and the avoidance of duplication and overlap in the delivery of the strategic goals of children's services.

### **Structure and culture**

**2.9** The right people can make almost any design work, whereas the wrong people can reduce an organisation to a shambles. Skills are important. The creation of business units should not be a function of what looks good on paper, for example 'we want this many as it provides a nice balance'. The question that should be asked therefore is: 'is there the management expertise available within the existing structure to make the new structure successful in relation to both the service's organisational objectives and local children's needs?'

**2.10** Personal preferences and desires will determine the enthusiasm with which postholders take to their new roles. Assumptions may be held by management about the ease with which new skills and attitudes will be acquired to ensure effective operating at all levels. These may well have to be challenged. Both these features have implications for structures. Questions that may follow from this are:

- ▲ How will the structure recognise and match the work required to the number of people available? (Restructuring often leads to fewer posts in relation to maintaining current activity with more posts to meet future projected business areas)
- ▲ Is the structure using its talented staff to their maximum potential?
- ▲ Are there sufficient staff to fill key roles?

**2.11** This is a crucial area for any proposal relating to the concept of a 'shadow' structure. A shadow structure could identify gaps in the workforce to fill particular posts with a clear acknowledgement that they will be filled through a recruitment strategy. Such a strategy could include the increasing use of part-time and/or short-term contract appointments. However, recent research into 'excellence' in organisations has judged that a key feature of 'excellent' companies is the culture of commitment. 'Doing the job right first time' is often generated through a policy of appointing and investing in the development of permanent and often full-time staff.

### **The third key element that justifies a structure is:**

The structure supports the development of a 'culture of commitment' and adequately reflects the motivation, strengths and weaknesses of the available people.

### **The structure allows for flexibility**

**2.12** Blue-sky thinking can not ignore the practical constraints that may be imposed by legal, government or

local council directives. In addition, there may be external pressures from client groups, or other unions, which need to be taken into account.

**The fourth key element that justifies a structure is:**

The impact of constraints is tested through potential modifications to proposed structures.

**2.13** A significant danger for all organisations is that structures may be determined by senior managers who become associated with a particular design concept, and who do not subject this concept to sufficient rigorous scrutiny in the prevailing environment.

**Sustainability**

**2.14** The structures have to remain sufficiently flexible to deal with continuous change, the possibility of smaller departmental budgets, or a drive for accountability. To what extent is flexibility reduced as units get smaller? How is flexibility affected by increasing numbers of management posts? Does a restructuring go for a slimmed-down and low-cost operation that cannot respond quickly to clients' needs? How many undefined time commitments have to be identified in individual diaries to allow for flexibility?

**2.15** In addition, it should be recognised that the personal perspective of sustainability (ie the individual perspective) may be linked to the problem of further increased workload.

**The fifth key element that justifies a structure is:**

The budget for a proposed structure demonstrates that the structure is sustainable in the face of known environmental factors. For example, falling pupil numbers over the next three years may lead to a reduction in the overall function of the education budget.

# 3 Guidance for Aspect local representatives

## Service restructuring: key components

**3.1** There are three key stages of the service restructuring process to consider:

- ▲ The strategic stage, which considers the rationale and context for the proposed reorganisation, preferably taking into account the points made in chapter two, 'Effective Organisational Structures'
- ▲ The consultative stage, which leads to an agreed new structure
- ▲ The negotiating stage, which agrees the precise ways in which the organisation will move from its present shape and structure to its new-look and structure.

## Consultation

**3.2** Employees in school improvement and other relevant services who are affected by a restructuring should be consulted fully at every stage by management during the restructuring process. This should extend into the proposed new structure and the appointment and/or assimilation of staff into this new structure.

**3.3** If there are potential redundancies, ie if jobs are at risk, employers have a statutory duty to consult trade union representatives and individuals. The European Directive on 'Information and Consultation in the Workplace' (directive 2002/14/EU) also places employers under a legal obligation to consult with their employees on, among other things, decisions which are likely to lead to changes in work organisation.

**3.4** It is essential that all parties engage properly in the consultation process, first, to ensure that the new focus and vision of the organisation will be met, and, second, to address the needs of the individuals involved. Communication on this process should therefore be facilitated as early as possible, so that all parties feel they are able to participate effectively.

## The role of the Aspect local representative

**3.5** The Aspect local representative will play a pivotal role as the first point of contact for management when a proposal to restructure a service is being considered. At this strategic stage – and to avoid the local representative bearing all the burden of the work to follow alone – it is recommended that a small working group of perhaps three or four Aspect

members is formed to manage the process through each stage, in consultation with their Aspect regional officer.

**3.6** The kinds of restructuring exercises outlined in this guide provide an important opportunity for Aspect local representatives to recruit new members. Indeed, this strategy will further protect the interests of existing members: the more members Aspect enlists who belong to the same authority undergoing a service restructuring, the more Aspect will be capable of exerting a stronger influence on the consultation process as it proceeds. Membership recruitment is therefore a key component of responding to any service restructuring proposals.

**3.7** The interests of other trade unions who may also be involved in the restructuring process will likewise need to be considered. In any joint trade union consultation process, it is necessary to ensure the attendance of an Aspect representative at all meetings. The working group could also rotate attendance at these meetings, as long as the information obtained is duly passed on.

**3.8** Local representatives should always seek advice from their regional officer if they are unsure of the implications of any proposals, and they may need to ask for more time before responding. It is necessary to understand the constraints in any consultative proposal, but not to allow them to overwhelm good practice. Nevertheless, meaningful consultation is essential as it provides the opportunity for:

- ▲ Alternative solutions to be raised
- ▲ Proposals to be tested
- ▲ Individuals to consider their own situations and make their individual issues/problems known to relevant people
- ▲ The people directly affected to understand that their views are being treated seriously.

There is also a need to appreciate the familiar tension between:

- ▲ The perceived need to carry out a reorganisation as quickly as possible, in order to reduce the period of uncertainty, and
- ▲ The requirement to consult fully at each stage of the process.

**3.9** Regular reports on the progress of consultation are therefore essential so that local Aspect members can understand how the process is developing.

**3.10** A guiding principle for those managing the process for the authority should be to understand how change is perceived by staff colleagues and to create a genuine sense of working together in partnership to improve the service to local schools.

### **A strategic view of reorganisation**

**3.11** As a professional organisation, Aspect has views about the structure of local school improvement and related services. However, as local authorities vary so much in their culture, establishment, financial status and size, we cannot recommend any universal blueprint. The need for change may result from the impact of the *Every Child Matters* agenda, an inspection report, or the arrival of a new director. Whatever the reason for change, it should be supported with clear evidence justifying the need for it.

**3.12** Staff should also have the opportunity to make their own contribution to the debate in the formative stages of the change programme. This will enable the best ideas to be incorporated. Much will depend on what the authority needs to prioritise and focus on, and the following points may be helpful (and should be read in conjunction with section one of this guide, concerning the five design elements):

- ▲ The restructuring process should start with the submission of a strategic design, supported with evidence, to show that a restructuring of services is likely to lead to an improvement in the organisation's overall performance
- ▲ Leadership and levels of management responsibility in each proposed tier and for each group of services should be clearly identified in diagrammatic form, and their purpose defined in terms of the aims and objectives of the reorganisation
- ▲ All posts in the proposed new structure should be presented with a clear job description and person specification
- ▲ Any proposed structure should allow for lateral and vertical career development, and the relationship between posts in each tier should be well defined

- ▲ A record of relevant meetings should be made available and circulated to all staff.

### **Consultation to agree the new structure**

**3.13** Much will depend on whether the restructuring is of a limited nature or more extensive. It is good practice to review outcomes at regular intervals.

**3.14** If the process does not take place in this way, then opportunities presented by promotion may mean that some individuals are put through more stress than necessary. For example, individuals may apparently be displaced when a further post on their tier later becomes available, either due to promotion or as a result of having to be interviewed twice (once on their own tier, and then subsequently at the higher tier).

### **Restructuring: key points to bear in mind**

#### **Before the restructuring process begins:**

- ▲ There should be a formal written procedure to underpin the process
- ▲ Reference documents will be required and should include redeployment and pay protection procedures, selection panel and interviewing procedures, voluntary early retirement and redundancy policies and Local Government Pension Scheme details. There may also be local restructuring procedures already available
- ▲ A timetable of meetings and events, eg dates for job adverts – internal and external – will need to be agreed
- ▲ There should be clear written details of compensation terms available for anyone who may be made redundant
- ▲ The prime aim should be to avoid compulsory redundancy. Clarification of individual councils' policies on this key issue, at an early stage, would therefore be helpful.

#### **During the process – assimilation:**

- ▲ Proceed hierarchically from the 'top' downwards.

**3.15** The practice of declaring every member of the team potentially redundant, deleting all their posts and declaring all posts in the new structure as significantly different and asking everyone to apply for the new posts, be shortlisted and interviewed, is very stressful and time-consuming. It is particularly time-consuming for the senior managers who have to make the appointments. This practice should be avoided if at all possible.

**3.16** Assimilating and matching skills and job roles is normal practice during service restructuring. Details of the person specification and any relevant council policy on this matter are essential information. Redeployment policies may also be helpful at this stage. Where there is a 60–70 per cent overlap between posts in the old structure and in the new, then the process of assimilation should apply if there is only one person who meets the criteria.

### **Negotiating to implement the new structure.**

**3.17** The process should be to:

- ▲ Identify in the new structure which posts are broadly similar to those which already exist
- ▲ Determine the pay scales based on responsibilities
- ▲ Where there is only one eligible person for such posts for one person to be slotted into, a skills audit to help validate this process should be completed at an early stage
- ▲ Where there is more than one candidate, request volunteers for transfer to any other available posts for which there is no competition and for which the candidates of the 'oversubscribed' post are eligible
- ▲ Request volunteers for severance on given terms
- ▲ If there is no voluntary solution, then interview for the post.

### **Interviews and ring-fencing.**

**3.18** If the number of people in the 'old' system with comparable job descriptions who meet the person specification for the new posts, exceeds the number of posts available, then the posts should be ring-fenced to that group of people. Posts should be ring-fenced, initially to individuals on the same level or above (if already displaced)

employed by the organisation. If posts on a particular level remain unfilled and there is a possibility of displacement at lower levels, they should be open to competition from within the organisation and ring-fenced to current employees.

**3.19** It may well be helpful to consult on job advertisements to avoid false or misleading information.

**3.20** Shortlisting and interviewing should follow agreed criteria and observe any policies local councils have on equal opportunities.

**3.21** Where there is any question of redundancy, the unions have a right to discuss and seek to agree selection criteria.

**3.22** Early retirement on suitable terms may be a way of avoiding compulsory redundancy. It is often only made available after the matching and selection process is completed.

**3.23** Voluntary early retirement on the grounds of redundancy or the efficiency of the service is usually at the discretion of the employer.

**3.24** After the process – review the outcome at regular intervals.



## 4 Conclusion

### Summary

**4.1** We hope that you find this guide to be a useful aid when confronted with a local proposal to restructure school improvement services. It will be further updated as we obtain feedback on its practical application.

**4.2** Public policy encourages the practice of working together in a spirit of 'social partnership' to deal with employment-related matters, and local authorities ought to be seen as exemplars of good practice. However, experience shows that practice can vary widely between authorities. A prerequisite for success is, perhaps, to have previously established a good working relationship with your employer in terms of consultation on workplace issues, which can establish a culture of inquiry and open debate. This requires a certain degree of participation in industrial relations activity at the level of the individual local authorities, and an effective trade union organisation to support it. Membership of Aspect with its network of local representatives, supported by our team of regional officers, provides the necessary means to create that important union machinery which protects the interests of local members and the services that they provide.

### References

**4.3** Goold, Michael & Campbell, Andrew (2002) *Organisations and People*, the quarterly journal of the Association for Management Education and Development.

### Acknowledgements

**4.4** With thanks to Bob Love, Aspect local representative, Staffordshire, for adapting and modifying Goold & Campbell's design elements.

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