

# Organisational review— Executive Summary

Townsville City Council

27 Sep 2016



nous group

# This report details findings and recommendations of the TCC organisational review.

## ***Nous Group were engaged to undertake an organisational review of Townsville City Council.***

Townsville City Council (TCC) has engaged Nous Group (Nous) to undertake a review of the organisation's operating model, structure and capability requirements, focusing on management levels.

The review includes three major components:

1. High-level review of operating model,
2. Development of organisational structure, and
3. Implementation and change management advice.

## ***Assessment of TCC's operating model has informed the review of the management structure.***

As the first stage of the project, Nous undertook a review of TCC's operating model, exploring dimensions of strategy and vision, value delivery, financial model and organisational enablers. Findings and recommendations from the operating model review are presented in Section 3 of the main report. Key projects have also been identified that will support TCC to deliver on its service obligations and the policy commitments of the elected council.

## ***Quantitative and Qualitative data were used to inform review findings and recommendations.***

Findings and recommendations presented in this report are based on:

- Desktop review and data analysis of information provided by TCC,
- Interviews with all current Directors and Executive Managers, and a sample of Managers and front-line staff of the TCC, and
- Assessment of TCC against organisational benchmarks and best practice organisational design, including those pertaining to other Queensland Councils.

# Executive Summary

***TCC is the product of Queensland's Council amalgamations that occurred eight years ago.***

In 2008, the City of Townsville and the City of Thuringowa administrations were amalgamated into a consolidated Townsville City Council (TCC). Significant consolidation activities were not undertaken at this time. This has resulted in a swelling of the management ranks and a protracted period of integration.

***In the intervening period, TCC has struggled with debt and in its inability to deliver on the policy commitments of the elected council.***

While TCC has delivered services in compliance with the Local Government Act 2009, it has been less successful in delivering on the policy commitments of the elected council. TCC also has significant debt. The following factors require the newly elected council to pursue budget repair and organisational review:

- A failure to undertake post-amalgamation consolidation of management roles,
- Lack of engagement from the organisation (including senior leaders) with the policy commitments of Council,
- A siloed approach to the delivery of services from a management, priorities and resourcing point of view,
- Too little focus on the changing needs and preferences of its residents,
- An organisational culture that is risk averse and highly process driven, and
- Supporting architecture (including system capability and technology) that does not empower proper engagement with the community.

# Executive Summary (continued)

***TCC can improve services for residents and relieve financial pressure through targeted improvement projects.***

The operating model review has identified significant opportunities for TCC to adopt more aligned and effective methods of operation and achieve greater efficiency in the delivery of services. Nous has recommended improvement projects to achieve these objectives as a priority.

***The current size, structure and culture of management is a barrier to effective service delivery and financial sustainability.***

The operating model review identifies that specific attention needs to be given to TCC's management structure to support the success of the recommended improvement initiatives. TCC's management structure is too complex, siloed and has too many layers, reflecting a failure to execute on post-amalgamation consolidation. This has impacted the agility and responsiveness of the organisation to economic changes and evolving community needs. It has led to duplication, a low risk tolerance and increased red tape. It stifles council's ability to pursue a common purpose and presents an unsustainable labour cost to the organisation.

***One of the key report recommendations is a consolidated organisational structure that will reduce unsustainable labour costs and encourage a more focused leadership team.***

The recommended organisation structure:

- Consolidates the number of divisions in the structure from five to three.
- Flattens the management structure by consolidating the Executive Manager and Manager roles into a General Manager role. This will remove overlapping levels of accountability and reduce the number of managers in the organisation.
- Transitions Corporate Services functions to a business partner model to ensure that more structured support and expertise is directly embedded in the key business areas.

# Improvement projects are aligned to three key areas for council service delivery

Responsive and efficient

Ensure TCC is a responsive and efficient organisation

- Implement structural change
- Leadership development
- Culture change
- Performance focused culture
- Improved governance and role clarity
- Financial/budget management
- Business assurance and fraud prevention
- Risk management
- Progress and performance reporting
- Activity management and benefits realisation
- Efficient back-of-office services

Community focused

TCC is focused on the needs and aspirations of the Townsville community

- Clarity and purpose
- Communicate vision and purpose
- Assessment of service provision
- Council analytics
- Customer strategy
- Customer analytics
- Mobility and customer facing systems

Economic growth

Facilitating economic growth in the city and region

- Local partnerships
- Procurement management
- Inventory and credit cards
- Labour hire/ consultancy and overtime
- Fleet management
- Asset utilisation

# The review also identified 12 general recommendations

## Overview of recommendations

Focus	Recommendation
Recommendation A – <b>Recruitment</b>	<ul style="list-style-type: none"> <li>• Ensure recruitment at management levels is focussed on leadership and strategic skills as well as technical skills</li> </ul>
Recommendation B – <b>Talent management</b>	<ul style="list-style-type: none"> <li>• Upgrade talent management strategy and workforce planning to ensure internal skills are used optimally</li> </ul>
Recommendation C – <b>Workforce size</b>	<ul style="list-style-type: none"> <li>• Ensure TCC staffing levels over time are in line with comparable local government benchmarks</li> </ul>
Recommendation D – <b>Workforce profile</b>	<ul style="list-style-type: none"> <li>• Monitor and actively manage workforce age profile</li> </ul>
Recommendation E – <b>Performance framework</b>	<ul style="list-style-type: none"> <li>• The performance framework for the leadership team needs to embody, drive and reward a positive and innovative culture throughout the organisation</li> </ul>
Recommendation F – <b>Strategic partnerships</b>	<ul style="list-style-type: none"> <li>• TCC should take a leadership role in Townsville’s development through strategic alliances with appropriate institutions</li> </ul>
Recommendation G – <b>Partnership ROI</b>	<ul style="list-style-type: none"> <li>• Confirm service level agreements with partners that receive TCC funding and track return on investment (ROI) to assess and ensure benefits realisation</li> </ul>
Recommendation H – <b>Mayor/ Councillor support</b>	<ul style="list-style-type: none"> <li>• Appropriate support for the Mayor and Councillors should be formalised</li> </ul>
Recommendation I – <b>Decisions and delegations</b>	<ul style="list-style-type: none"> <li>• Determine clear decision making arrangements between levels of management and establish delegation protocols for each management level</li> </ul>
Recommendation J – <b>Resident interaction</b>	<ul style="list-style-type: none"> <li>• Align external facing processes to ensure a whole-of-customer view and single point of contact for resident enquiries</li> </ul>
Recommendation K – <b>End-to-end processes</b>	<ul style="list-style-type: none"> <li>• Track end-to-end value chain across divisions for key business processes</li> </ul>
Recommendation L – <b>IT Infrastructure</b>	<ul style="list-style-type: none"> <li>• Implement findings of recent review of IT Infrastructure system to address gaps in needs of internal stakeholders with current IT infrastructure system</li> </ul>