



NCVO WORKFORCE DEVELOPMENT

Good employment practice case study

Restructuring an organisation and managing redundancies

Theodore Spyrou, chief executive of Whittington Park Community Association (WPCA), spoke to us about the restructuring of the community centre which was undertaken in 2009.

How did this come about - what brought the issue to light?

“Our whole drive has been changing what we are as an organisation – to move away from being a community relying on government funding. We wanted to have social enterprises so that our services are self-sufficient.”

Since 2005 when Theo joined WPCA as chief executive, the organisation has adopted a culture of continuous improvement, reviewing each project to ensure its sustainability.

Who was involved in the restructuring process in 2009?

The trustee board and the chief executive.

What did that process involve?

“The first stage was business planning as we were aware of the financial crisis as a country and acted in advance. The process started at board-level. We set out a two year business plan driven by the ethos to transform from a grant-reliant organisation to a self-sustainable entity.”

- **A top-bottom review of the organisation was conducted.**
- **The organisation was structured into three departments:** (administration, play and youth, catering) and a senior manager post was created to lead each department.
- **Four roles were highlighted for redundancy:** centre coordinator, finance assistant, centre assistant and cook.
- Centre coordinator and finance assistant were merged into a more senior post, deputy centre manager. *“Previously, I was doing lots of financial administration as chief executive. Now I influence and the deputy centre manager reports back to me. By bringing roles together we created better communications and a non-loss system. It was much more productive.”*
- The centre assistant post was replaced with a coordinator post for catering and elders.

- The cook position was formed into catering manager, first cook and second cook.
- A resource pool of casual staff became six workers in the youth department.
- 18 new full and part-time roles were created and four redundancies were highlighted. Existing staff were offered roles in the new structure.

What has been the big impact of these changes?

- **The quality of services.** *“The elders have a coordinator who is more engaged. We do hall hire now and produce five times more events and activities.”*
- **A more productive team.** With the right team in place, it took only three weeks to rebrand the organisation.
- **Manageable workloads.** With the new structure, roles became manageable and were remunerated competitively.
- **Improved staff morale.** *“We go out for drinks and have achieved an ethos of creating an extended home for the community.”*
- **Growth.** WPCA has grown fourfold in two years. Financially, the turnover improved more than twofold.

What was key to the success of this restructure?

- **Plan ahead.**
- **The board’s full engagement and dedication.** The board usually met monthly. During the restructure they were meeting weekly. *“Everyone was excited by the process. It was a source of empowerment for the trustees and the board.”*
- **Have a clear path as well as knowing where you want to go.**
- **Have realistic timelines for implementation.** Planning took place at WPCA from January 2009 until June 2009 and was executed from June until September/October 2009.
- **Seek professional advice.** WPCA engaged solicitors and budgeted.
- **Get training.** Theo did the NCVO HR Masterclass in December 2009. *“If that course had been available before we started our redundancies, we could have saved ourselves £20,000 in solicitors’ fees. Drafting letters for example, the solicitors did that. But then organisations that don’t spend that money on getting it right often end up in tribunals.”*

What were the main challenges?

- **Setting a culture change in the trustees.** The board was used to reacting to change. Theo took time with the board, in one-to-one work discussions to explain the path he wanted to drive the organisation down.
- **Having the right combination of skills.** The trustees had a varied skill set. The only skill missing was legal expertise and so this was outsourced.
- **The extra work for those leading the change.** *“Over a three month period, I had to work one and a half times my normal hours to get the work done. There was no money to remunerate me but I can see the investment. It brought the board together and there was a team spirit.”*
- **Keeping everyone together.** *“The culture set of the organisation was that you’re in “no man’s land” but it ain’t what you want it to be yet. Sick leave, holiday leave being taken all at once.. it wasn’t easy.”*
- **Opposition from stakeholders.** WPCA has a private nursery based in the community centre. The nursery staff opposed the redundancies. *“They actively went out and campaigned – the local service users were up in arms.”*

We had to tackle that by explaining what was happening.” In July 2009, a two-page statement was given to employees to explain what was happening. The same statement was given by the board to service users and members in August 2009. Weekly meetings were held with members from late August until October to address their concerns. *“We’ve actually got an increase in membership now and a better relationship as a whole.”*

- **Negotiation and the consultation period.** This involved meticulous note taking.

Is there anything that would have been done differently?

- **Get training.** *“I would have done a course before starting, to have the ability to execute the restructure without relying on legal advice. I would have been calmer and less stressed too. If we’d saved £20,000 on legal advice I might have brought in a person to help with the execution and provide support, perhaps in a PA role.”*

Are there any future developments in the pipeline now?

- **Two ideas for social enterprises.**
- **Business planning with consultants for April 2011.** *“We’re well on track... any grants coming in are supplementary.”*
- **Seeking funding to improve the building.**
- **Supporting other groups to be stronger.** *“We’ve helped five charities to set up this year. One dance group has gone from delivering sessions for us and having a membership of five (to what is now 150) and running activities across five centres and paying us to use our facilities. We also support several local BME groups.”*

Any advice for organisations looking to restructure or reshape what they do?

- **Assess your strengths to address change.** If you don’t have a board or leadership with the right expertise, draft in support.
- **Make sure you understand the implications of being a social enterprise if this is what you want to do** for example, consider the practicalities of handling VAT at a day-to-day level. Again, draft in support if you need to.
- **Don’t rely on trustees to deliver work** – it’s not in their remit. They’re not there to execute.
- *“Give yourself a wake-up call, a “cold shower” – this is live. This is not just ticking over from day to day. It’s very different.”*

About HR and workforce

- **How many paid staff do you have?** 10 full-time; 25 part-time (largely on 25 hr per week contracts); 5 casual workers
- **How many trustees sit on your board?** 9
- **How many volunteers do you have?** Between 25-35 per year.