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**Executive**

**11<sup>th</sup> July 2006**

**Report of the Director of City Strategy**

**Directorate of City Strategy – Organisational Review**

**1. Purpose of report**

- 1.1** This report presents proposals for the organisational structure of the new directorate of City Strategy which came into being on 1<sup>st</sup> April and now needs an approach which will enable it to respond to the new responsibilities placed upon it.

**2. Summary**

2.1 The report makes the following proposals:

- The new directorate will be responsible for the strategic development of the city and as such will become more aligned with the central directorates and in effect move more towards the centre of the organisation
- Changes to the directorate will be evolutionary
- A management team of Director plus four Assistant directors will be maintained
- A new flexible approach will be adopted between Assistant Directors which will subsequently be cascaded throughout the directorate
- Initially the existing service blocks will be maintained but will be reviewed as necessary to meet the new challenges outlined in paragraph 4.4
- Responsibility for Finance and Business Management for both the Directorates of Resources and Chief Executive has transferred to City Strategy and fall within the area of the Assistant Director Finance and Business Management

- Responsibility for the LSP/LAA/LPSA ( see paragraph 4.5 ) will transfer from the Chief Executive's department and is proposed to be within the area of the Assistant Director Economic Development

### **3. Background**

- 3.1 Following the departure of the last director of Environment and Development Services directorate in May 2004 a review of the directorate was carried out using external consultants. This review looked at problems within the directorate, offered potential solutions and made recommendations on a way forward. During that time the Environment group together with the York Pride Action Line was temporarily transferred to the Deputy Chief Executives directorate and combined with the Neighbourhoods team to form the Environment and Neighbourhoods group. This left the services shown at Annex 1 which form the majority of the core functions for the new City Strategy directorate.
- 3.2 The consultants looking at the future of DEDES reported in December 2004. Their report subsequently helped to inform a wider review of council services needed to establish the new approach required by government for children's services and adult services. This wider review was subsequently approved by the Council's Executive in July 2005 following a detailed report from the Chief Executive. One of the main outcomes of that review was the creation of a new directorate of City Strategy.
- 3.3 The central theme to the Chief Executive's July report was that the review *"..... should need to create a fully corporate approach to council working and that restructuring should be evolutionary (using the existing 'building blocks' as a blueprint for the future) and promote future flexibility. We should prefer a succession of small scale, easily achieved restructurings, as opportunities and needs present themselves, to large scale restructurings."* The proposals that follow are based on this evolutionary approach to meeting the challenge of service delivery from the new directorate. However the report recognises that there are a number of significant challenges facing the directorate and that this evolutionary approach will need to continue into the future in response to the ongoing challenges.
- 3.4 The Chief Executive's report went on to say that purpose of the proposed City Strategy directorate is to lead the strategic development of the City, with particular reference to its economy, physical development, transport, sustainability, housing needs and cultural development. The customer of the directorate is the whole City, as a single entity. It was not suggested

that the City Strategy directorate assume responsibility for the strategic management of services located more naturally within other directorates, but that it lead the development of the strategic vision for the City so far as those services are concerned.

## **4. City Strategy proposals**

### **Senior Management**

- 4.1 The recruitment process which followed the chief executive's report resulted in my appointment as the new director of City Strategy with effect from the 5<sup>th</sup> December 2005. Since that time I have been working with the four remaining existing assistant directors of DEEDS on the best way of delivering the services of the new directorate. As some of the functions for which City Strategy will be responsible are subject to a parallel process within the Chief Executive's department, specific details regarding staff are dependant on the outcome of that review.
- 4.2 In deciding the future the first element considered was senior management capacity bearing in mind the breadth of responsibilities covered by City Strategy. I am convinced that the current structure of myself and four assistant directors is required to successfully deliver City Strategy and therefore a Directorate Management Team of 5, including myself is proposed. I am however proposing that although assistant directors will have prime responsibility for a specific group of services there will be a requirement for flexibility in line with a corporate approach to service delivery. This may mean for example that responsibility for a specific piece of work largely delivered by staff from one group could rest with the assistant director from another. This requirement for flexibility will be written into the revised job descriptions for the assistant directors and will underpin the corporate approach adopted by the whole directorate.
- 4.3 In looking at the make-up of the AD groups a number of different options have been considered. I have however decided to put forward a single option based on the current service blocks, in line with the ethos in the July 2005 Chief Executive's report. This will help to ensure we continue to build on the considerable successes and improvements enjoyed over the last 2 years and any subsequent changes needed in order to respond to the continuing demands for service improvement placed upon us, will be achieved through an evolutionary approach. There are however a number of significant challenges to overcome over the next two years and depending on the outcome of ongoing work in a number of areas the make-up of AD blocks may need to be revisited. This may also include the make-up of sections within the AD blocks and within the directorate as a whole.

## **New Challenges**

4.4 As referred to above there are a number of significant challenges facing the new directorate over the immediate future. Apart from the integration and delivery of the new services shown below there are a number other areas requiring review:

- Ensuring the integration of strategic services not only within the directorate but also across the council as a whole. This will result in an holistic city strategy which will form a significant part of the Community Plan. This integration will require engagement of the whole council which must be facilitated by the City Strategy Directorate.
- The procurement of highway services. The previous work to look at the procurement and delivery of highway maintenance services only, has been terminated with a subsequent investigation into the possibility of procuring this service through a PFI approach. This follows a recent government announcement offering new PFI credits and the possibility of including the Council's considerable maintenance backlog into a PFI solution. It is also proposed to look at whether integrated transport work should also be included into any subsequent procurement process.
- A thorough review of the parking service including other methods of delivery.
- A review of the Economic Development group following the announcement of the existing AD, Tony Bennett of his decision to retire.
- Developing a more proactive approach to Conservation and Urban Design to ensure that the development pressures we face in the City are better informed.
- Moving the front end of the Development Control and Building Control services into the Easy at York programme and continuing to deliver the improvements necessary to meet government targets for dealing with planning applications
- The continuing budget pressures on the Council which will require us all to look at the efficiency and effectiveness of the way we deliver our services.

## **New Services**

4.5 A number of new responsibilities are now transferring to City Strategy as well as those shown in Annex 1 which are inherited from DEEDS. The list below represents the new services and responsibilities transferring:

- The development of a strategic vision for the Council which covers all Council services.
- The Local Community Partnership (LSP) known as “*The Without Walls Board*”.
- The Local Area Agreement (LAA)
- The Local Public Service Agreement (LPSA)
- The strategy and procurement of a new waste disposal service
- Business Management and Finance of the directorates of Resources and the Chief Executives.
- Operational Human Resources

4.6 The responsibilities for the above will be managed from the existing AD groups as shown in the proposed functional structure shown at Annex 2:

- The Strategic vision for the council will be led by the director with support from across the directorate but in particular from the LSP team transferring for the Chief Executive’s department and from a post within the existing business management team.
- The LSP, LAA and LPSA responsibility will be under the new AD Economic Development and will involve the transfer of a number of posts from the Chief Executive’s directorate with specific details yet to be agreed.
- The strategy and procurement of a new approach to waste disposal will be led by the AD Resource & Business Management. It is proposed that the existing Head of Waste Strategy within the Environment and Neighbourhoods group in Neighbourhood Services directorate will be transferred to City Strategy whilst this work is completed although this is not expected to be for a period of less than 2 years.
- Business Management and Finance for the Chief Executive and Resources will be the responsibility of the AD Resource & Business Management. A number of staff currently carrying out these functions in those directorates are transferring to City Strategy.
- Operational Human Resources for City Strategy currently located under the Head of Human Resources within the Chief Executive’s directorate will be located under the AD Resource & Business Management who already has responsibility for some HR responsibility within DEEDS.

## 5. Other Issues

- 5.1 The Environment and Neighbourhoods group which was formed within the former Deputy Chief Executive's directorate and referred to in paragraph 2.1 above has now formed part of the new Neighbourhood Services directorate. Because the former Environment group within DEEDS forms part of this group there is a need to transfer the support services formally within DEEDS that supported the Environment group. Agreement on this has been successfully concluded. The date when staff will transfer is yet to be agreed and in part is dependant on staff transfers under the Chief Executive's review however in the meantime the support that has been provided for the last 2 years is continuing under the same arrangement.
- 5.2 The recruitment process to the two Assistant Director posts for City Development and Transport, and Economic Development is already underway and is expected to take place within the next two months dependant on the outcome of this report. The process requires Member appointment panels and these were expected to be agreed at Council on the 29<sup>th</sup> June. As the existing Assistant Director Economic Development, Tony Bennett retires at the end of July an interim replacement has been appointed and he will start in the middle of July.
- 5.3 Of course the move from the old directorate to the new City Strategy directorate is not just a name change and some alterations to the structure. It crucially involves embracing the change in approach and responsibilities briefly outlined in paragraph 3.4. To achieve this the Departmental Management Team have already begun a programme of change management initiatives to encourage a more joined-up approach to directorate and corporate working as a precursor to delivering the new strategy for the city.

## 6. Consultation

- 6.1 There has been direct consultation with the staff of the directorate and with the trades unions over the proposals set out in this report. This raised a number of issues although none that materially impacted on the proposals contained in this report

## 7. Implications

- 7.1 **Financial Consequences:** All the proposals contained within this report are covered by existing staffing budgets transferred from Environment and

Development Services or by staffing budgets proposed to be transferred from the Chief Executive's Directorate.

7.2 **Human Resources:** Staff and Trades Unions have been consulted and there are no significant issues regarding the proposals.

7.3 **Equalities:** There are no equalities implications

7.4 **Legal:** There are no legal implications.

7.5 **Crime and disorder:** There are no crime and disorder implications.

7.6 **Information Technology (IT):** There are no IT implications

7.7 **Property:** All proposals will be dealt with within the existing Administrative Accommodation occupied by former Environment and Development Services however some movement of staff within this will be necessary.

7.8 **Other:** There are no other implications.

## 8.0 Recommendations

Members are asked to approve:

8.1 the structure for Directorate of City Strategy set out in Annex 2

Implications	
<b>Legal</b>	N/A
<b>Finance</b>	X
<b>Human Resources</b>	X
Sustainability	N/A
<b>Crime &amp; Disorder</b>	N/A
<b>Equalities</b>	X
<b>Other</b>	N/A

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